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# NATIONAL ARCHIVES MICROFILM PUBLICATIONS

Microfilm Publication M892

RECORDS OF THE UNITED STATES

NUERNBERG WAR CRIMES TRIALS

*UNITED STATES OF AMERICA v. CARL KRAUCH ET AL. (CASE VI)*

AUGUST 14, 1947-JULY 30, 1948

Roll 39

Prosecution Document Books

XXVI-XXXIII



THE NATIONAL ARCHIVES  
NATIONAL ARCHIVES AND RECORDS SERVICE  
GENERAL SERVICES ADMINISTRATION

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## INTRODUCTION

On the 113 rolls of this microfilm publication are reproduced the records of Case VI, *United States of America v. Carl Krauch et al.* (I. G. Farben Case), 1 of the 12 trials of war criminals conducted by the U.S. Government from 1946 to 1949 at Nuernberg subsequent to the International Military Tribunal (IMT) held in the same city. These records consist of German- and English-language versions of official transcripts of court proceedings, prosecution and defense briefs and statements, and defendants' final pleas as well as prosecution and defense exhibits and document books in one language or the other. Also included are minute books, the official court file, order and judgment books, clemency petitions, and finding aids to the documents.

The transcripts of this trial, assembled in 2 sets of 43 bound volumes (1 set in German and 1 in English), are the recorded daily trial proceedings. Prosecution statements and briefs are also in both languages but unbound, as are the final pleas of the defendants delivered by counsel or defendants and submitted by the attorneys to the court. Unbound prosecution exhibits, numbered 1-2270 and 2300-2354, are essentially those documents from various Nuernberg record series, particularly the NI (Nuernberg Industrialist) Series, and other sources offered in evidence by the prosecution in this case. Defense exhibits, also unbound, are predominantly affidavits by various persons. They are arranged by name of defendant and thereunder numerically, along with two groups of exhibits submitted in the general interest of all defendants. Both prosecution and defense document books consist of full or partial translations of exhibits into English. Loosely bound in folders, they provide an indication of the order in which the exhibits were presented before the tribunal.

Minute books, in two bound volumes, summarize the transcripts. The official court file, in nine bound volumes, includes the progress docket, the indictment, and amended indictment and the service thereof; applications for and appointments of defense counsel and defense witnesses and prosecution comments thereto; defendants' application for documents; motions and reports; uniform rules of procedures; and appendixes. The order and judgment books, in two bound volumes, represent the signed orders, judgments, and opinions of the tribunal as well as sentences and commitment papers. Defendants' clemency petitions, in three bound volumes, were directed to the military governor, the Judge Advocate General, and the U.S. District Court for the District of Columbia. The finding aids summarize transcripts, exhibits, and the official court file.

Case VI was heard by U.S. Military Tribunal VI from August 14, 1947, to July 30, 1948. Along with records of other Nuernberg

# NATIONAL ARCHIVES MICROFILM PUBLICATIONS

and Far East war crimes trials, the records of this case are part of the National Archives Collection of World War II War Crimes Records, Record Group 238.

The I. G. Farben Case was 1 of 12 separate proceedings held before several U.S. Military Tribunals at Nuernberg in the U.S. Zone of Occupation in Germany against officials or citizens of the Third Reich, as follows:

| <u>Case No.</u> | <u>United States v.</u>             | <u>Popular Name</u>                  | <u>No. of Defendants</u> |
|-----------------|-------------------------------------|--------------------------------------|--------------------------|
| 1               | <i>Karl Brandt et al.</i>           | Medical Case                         | 23                       |
| 2               | <i>Erhard Milch</i>                 | Milch Case<br>(Luftwaffe)            | 1                        |
| 3               | <i>Josef Altstoetter et al.</i>     | Justice Case                         | 16                       |
| 4               | <i>Oswald Pohl et al.</i>           | Pohl Case (SS)                       | 18                       |
| 5               | <i>Friedrich Flick et al.</i>       | Flick Case<br>(Industrialist)        | 6                        |
| 6               | <i>Carl Krauch et al.</i>           | I. G. Farben Case<br>(Industrialist) | 24                       |
| 7               | <i>Wilhelm List et al.</i>          | Hostage Case                         | 12                       |
| 8               | <i>Ulrich Greifelt et al.</i>       | RuSHA Case (SS)                      | 14                       |
| 9               | <i>Otto Ohlendorf et al.</i>        | Einsatzgruppen<br>Case (SS)          | 24                       |
| 10              | <i>Alfried Krupp et al.</i>         | Krupp Case<br>(Industrialist)        | 12                       |
| 11              | <i>Ernst von Weizsaecker et al.</i> | Ministries Case                      | 21                       |
| 12              | <i>Wilhelm von Leeb et al.</i>      | High Command Case                    | 14                       |

Authority for the proceedings of the IMT against the major Nazi war criminals derived from the Declaration on German Atrocities (Moscow Declaration) released November 1, 1943; Executive Order 9547 of May 2, 1945; the London Agreement of August 8, 1945; the Berlin Protocol of October 6, 1945; and the IMT Charter.

Authority for the 12 subsequent cases stemmed mainly from Control Council Law 10 of December 20, 1945, and was reinforced by Executive Order 9679 of January 16, 1946; U.S. Military Government Ordinances 7 and 11 of October 18, 1946, and February 17, 1947, respectively; and U.S. Forces, European Theater General Order 301 of October 24, 1946. Procedures applied by U.S. Military Tribunals in the subsequent proceedings were patterned after those of the IMT and further developed in the 12 cases, which required over 1,200 days of court sessions and generated more than 330,000 transcript pages.



Formation of the I. G. Farben Combine was a stage in the evolution of the German chemical industry, which for many years led the world in the development, production, and marketing of organic dyestuffs, pharmaceuticals, and synthetic chemicals. To control the excesses of competition, six of the largest chemical firms, including the Badische Anilin & Soda Fabrik, combined to form the Interessengemeinschaft (Combine of Interests, or Trust) of the German Dyestuffs Industry in 1904 and agreed to pool technological and financial resources and markets. The two remaining chemical firms of note entered the combine in 1916. In 1925 the Badische Anilin & Soda Fabrik, largest of the firms and already the majority shareholder in two of the other seven companies, led in reorganizing the industry to meet the changed circumstances of competition in the post-World War markets by changing its name to the I. G. Farbenindustrie Aktiengesellschaft, moving its home office from Ludwigshafen to Frankfurt, and merging with the remaining five firms.

Farben maintained its influence over both the domestic and foreign markets for chemical products. In the first instance the German explosives industry, dependent on Farben for synthetically produced nitrates, soon became subsidiaries of Farben. Of particular interest to the prosecution in this case were the various agreements Farben made with American companies for the exchange of information and patents and the licensing of chemical discoveries for foreign production. Among the trading companies organized to facilitate these agreements was the General Anilin and Film Corp., which specialized in photographic processes. The prosecution charged that Farben used these connections to retard the "Arsenal of Democracy" by passing on information received to the German Government and providing nothing in return, contrary to the spirit and letter of the agreements.

Farben was governed by an Aufsichtsrat (Supervisory Board of Directors) and a Vorstand (Managing Board of Directors). The Aufsichtsrat, responsible for the general direction of the firm, was chaired by defendant Krauch from 1940. The Vorstand actually controlled the day-to-day business and operations of Farben. Defendant Schmitz became chairman of the Vorstand in 1935, and 18 of the other 22 original defendants were members of the Vorstand and its component committees.

Transcripts of the I. G. Farben Case include the indictment of the following 24 persons:

Otto Ambros: Member of the Vorstand of Farben; Chief of Chemical Warfare Committee of the Ministry of Armaments and War Production; production chief for Buna and poison gas; manager of Auschwitz, Schkopau, Ludwigshafen, Oppau, Gendorf, Dyhernfurth, and Falkenhagen plants; and Wehrwirtschaftsfuehrer.

## NATIONAL ARCHIVES MICROFILM PUBLICATIONS

Max Brueggemann: Member and Secretary of the Vorstand of Farben; member of the legal committee; Deputy Plant Leader of the Leverkusen Plant; Deputy Chief of the Sales Combine for Pharmaceuticals; and director of the legal, patent, and personnel departments of the Works Combine, Lower Rhine.

Ernst Buergin: Member of the Vorstand of Farben; Chief of Works Combine, Central Germany; Plant Leader at the Bitterfeld and Wolfen-Farben plants; and production chief for light metals, dyestuffs, organic intermediates, plastics, and nitrogen at these plants.

Heinrich Bueteftisch: Member of the Vorstand of Farben; manager of Leuna plants; production chief for gasoline, methanol, and chlorine electrolysis production at Auschwitz and Moosbierbaum; Wehrwirtschaftsfuehrer; member of the Himmler Freundeskreis (circle of friends of Himmler); and SS Obersturmbannfuehrer (Lieutenant Colonel).

Walter Duerrfeld: Director and construction manager of the Auschwitz plant of Farben, director and construction manager of the Monowitz Concentration Camp, and Chief Engineer at the Leuna plant.

Fritz Gajewski: Member of the Central Committee of the Vorstand of Farben, Chief of Sparte III (Division III) in charge of production of photographic materials and artificial fibers, manager of "Agfa" plants, and Wehrwirtschaftsfuehrer.

Heinrich Gattineau: Chief of the Political-Economic Policy Department, "WIPO," of Farben's Berlin N.W. 7 office; member of Southeast Europe Committee; and director of A.G. Dynamit Nobel, Pressburg, Czechoslovakia.

Paul Haeftiger: Member of the Vorstand of Farben; member of the Commercial Committee; and Chief, Metals Departments, Sales Combine for Chemicals.

Erich von der Heyde: Member of the Political-Economic Policy Department of Farben's Berlin N.W. 7 office, Deputy to the Chief of Intelligence Agents, SS Hauptsturmfuehrer, and member of the WI-RUE-AMT (Military Economics and Armaments Office) of the Oberkommando der Wehrmacht (OKW) (High Command of the Armed Forces).

Heinrich Hoerlein: Member of the Central Committee of the Vorstand of Farben; chief of chemical research and development of vaccines, sera, pharmaceuticals, and poison gas; and manager of the Elberfeld Plant.

## NATIONAL ARCHIVES MICROFILM PUBLICATIONS

Max Ilgner: Member of the Vorstand of Farben; Chief of Farben's Berlin N.W. 7 office directing intelligence, espionage, and propaganda activities; member of the Commercial Committee; and Wehrwirtschaftsfuehrer.

Friedrich Jaehne: Member of the Vorstand of Farben; chief engineer in charge of construction and physical plant development; Chairman of the Engineering Committee; and Deputy Chief, Works Combine, Main Valley.

August von Knieriem: Member of the Central Committee of the Vorstand of Farben; Chief Counsel of Farben; and Chairman, Legal and Patent Committees.

Carl Krauch: Chairman of the Aufsichtsrat of Farben and Generalbevollmaechtigter fuer Sonderfragen der Chemischen Erzeugung (General Plenipotentiary for Special Questions of Chemical Production) on Goering's staff in the Office of the 4-Year Plan.

Hans Kuehne: Member of the Vorstand of Farben; Chief of the Works Combine, Lower Rhine; Plant Leader at Leverkusen, Elberfeld, Uerdingen, and Dormagen plants; production chief for inorganics, organic intermediates, dyestuffs, and pharmaceuticals at these plants; and Chief of the Inorganics Committee.

Hans Kugler: Member of the Commercial Committee of Farben; Chief of the Sales Department Dyestuffs for Hungary, Rumania, Yugoslavia, Greece, Bulgaria, Turkey, Czechoslovakia, and Austria; and Public Commissar for the Falkenau and Aussig plants in Czechoslovakia.

Carl Lautenschlaeger: Member of the Vorstand of Farben; Chief of Works Combine, Main Valley; Plant Leader at the Hoechst, Griesheim, Mainkur, Gersthofen, Offenbach, Eystrup, Marburg, and Neuhausen plants; and production chief for nitrogen, inorganics, organic intermediates, solvents and plastics, dyestuffs, and pharmaceuticals at these plants.

Wilhelm Mann: Member of the Vorstand of Farben, member of the Commercial Committee, Chief of the Sales Combine for Pharmaceuticals, and member of the SA.

Fritz ter Meer: Member of the Central Committee of the Vorstand of Farben; Chief of the Technical Committee of the Vorstand that planned and directed all of Farben's production; Chief of Sparte II in charge of production of Buna, poison gas, dyestuffs, chemicals, metals, and pharmaceuticals; and Wehrwirtschaftsfuehrer.



Heinrich Oster: Member of the Vorstand of Farben, member of the Commercial Committee, and manager of the Nitrogen Syndicate.

Hermann Schmitz: Chairman of the Vorstand of Farben, member of the Reichstag, and Director of the Bank of International Settlements.

Christian Schneider: Member of the Central Committee of the Vorstand of Farben; Chief of Sparte I in charge of production of nitrogen, gasoline, diesel and lubricating oils, methanol, and organic chemicals; Chief of Central Personnel Department, directing the treatment of labor at Farben plants; Wehrwirtschaftsfuehrer; Hauptabwehrbeauftragter (Chief of Intelligence Agents); Hauptbetriebsfuehrer (Chief of Plant Leaders); and supporting member of the Schutzstaffeln (SS) of the NSDAP.

Georg von Schnitzler: Member of the Central Committee of the Vorstand of Farben, Chief of the Commercial Committee of the Vorstand that planned and directed Farben's domestic and foreign sales and commercial activities, Wehrwirtschaftsfuehrer (Military Economy Leader), and Hauptsturmfaehrer (Captain) in the Sturmabteilungen (SA) of the Nazi Party (NSDAP).

Carl Wurster: Member of the Vorstand of Farben; Chief of the Works Combine, Upper Rhine; Plant Leader at Ludwigs-hafen and Oppau plants; production chief for inorganic chemicals; and Wehrwirtschaftsfuehrer.

The prosecution charged these 24 individual staff members of the firm with various crimes, including the planning of aggressive war through an alliance with the Nazi Party and synchronization of Farben's activities with the military planning of the German High Command by participation in the preparation of the 4-Year Plan, directing German economic mobilization for war, and aiding in equipping the Nazi military machines.<sup>1</sup> The defendants also were charged with carrying out espionage and intelligence activities in foreign countries and profiting from these activities. They participated in plunder and spoliation of Austria, Czechoslovakia, Poland, Norway, France, and the Soviet Union as part of a systematic economic exploitation of these countries. The prosecution also charged mass murder and the enslavement of many thousands of persons particularly in Farben plants at the Auschwitz and Monowitz concentration camps and the use of poison gas manufactured by the firm in the extermination

<sup>1</sup>The trial of defendant Brueggemann was discontinued early during the proceedings because he was unable to stand trial on account of ill health.



# NATIONAL ARCHIVES MICROFILM PUBLICATIONS

of millions of men, women, and children. Medical experiments were conducted by Farben on enslaved persons without their consent to test the effects of deadly gases, vaccines, and related products. The defendants were charged, furthermore, with a common plan and conspiracy to commit crimes against the peace, war crimes, and crimes against humanity. Three defendants were accused of membership in a criminal organization, the SS. All of these charges were set forth in an indictment consisting of five counts.

The defense objected to the charges by claiming that regulations were so stringent and far reaching in Nazi Germany that private individuals had to cooperate or face punishment, including death. The defense claimed further that many of the individual documents produced by the prosecution were originally intended as "window dressing" or "howling with the wolves" in order to avoid such punishment.

The tribunal agreed with the defense in its judgment that none of the defendants were guilty of Count I, planning, preparation, initiation, and waging wars of aggression; or Count V, common plans and conspiracy to commit crimes against the peace and humanity and war crimes.

The tribunal also dismissed particulars of Count II concerning plunder and exploitation against Austria and Czechoslovakia. Eight defendants (Schmitz, von Schnitzler, ter Meer, Buergin, Haeffliger, Ilgner, Oster, and Kugler) were found guilty on the remainder of Count II, while 15 were acquitted. On Count III (slavery and mass murder), Ambros, Bueteftisch, Duerrfeld, Krauch, and ter Meer were judged guilty. Schneider, Bueteftisch, and von der Heyde also were charged with Count IV, membership in a criminal organization, but were acquitted.

The tribunal acquitted Gajewski, Gattineau, von der Heyde, Hoerlein, von Knieriem, Kuehne, Lautenschlaeger, Mann, Schneider, and Wurster. The remaining 13 defendants were given prison terms as follows:

| <u>Name</u>    | <u>Length of Prison Term (years)</u> |
|----------------|--------------------------------------|
| Ambros         | 8                                    |
| Buergin        | 2                                    |
| Bueteftisch    | 6                                    |
| Duerrfeld      | 8                                    |
| Haeffliger     | 2                                    |
| Ilgner         | 3                                    |
| Jaehne         | 1 1/2                                |
| Krauch         | 6                                    |
| Kugler         | 1 1/2                                |
| Oster          | 2                                    |
| Schmitz        | 4                                    |
| von Schnitzler | 5                                    |
| ter Meer       | 7                                    |

All defendants were credited with time already spent in custody.

In addition to the indictments, judgments, and sentences, the transcripts also contain the arraignment and plea of each defendant (all pleaded not guilty) and opening statements of both defense and prosecution.

The English-language transcript volumes are arranged numerically, 1-43, and the pagination is continuous, 1-15834 (page 4710 is followed by pages 4710(1)-4710(285)). The German-language transcript volumes are numbered 1a-43a and paginated 1-16224 (14a and 15a are in one volume). The letters at the top of each page indicate morning, afternoon, or evening sessions. The letter "C" designates commission hearings (to save court time and to avoid assembling hundreds of witnesses at Nuernberg, in most of the cases one or more commissions took testimony and received documentary evidence for consideration by the tribunals). Two commission hearings are included in the transcripts: that for February 7, 1948, is on pages 6957-6979 of volume 20 in the English-language transcript, while that for May 7, 1948, is on pages 14775a-14776 of volume 40a in the German-language transcript. In addition, the prosecution made one motion of its own and, with the defense, six joint motions to correct the English-language transcripts. Lists of the types of errors, their location, and the prescribed corrections are in several volumes of the transcripts as follows:

- First Motion of the Prosecution, volume 1
- First Joint Motion, volume 3
- Second Joint Motion, volume 14
- Third Joint Motion, volume 24
- Fourth Joint Motion, volume 29
- Fifth Joint Motion, volume 34
- Sixth Joint Motion, volume 40

The prosecution offered 2,325 prosecution exhibits numbered 1-2270 and 2300-2354. Missing numbers were not assigned due to the difficulties of introducing exhibits before the commission and the tribunal simultaneously. Exhibits 1835-1838 were loaned to an agency of the Department of Justice for use in a separate matter, and apparently No. 1835 was never returned. Exhibits drew on a variety of sources, such as reports and directives as well as affidavits and interrogations of various individuals. Maps and photographs depicting events and places mentioned in the exhibits are among the prosecution resources, as are publications, correspondence, and many other types of records.

The first item in the arrangement of prosecution exhibits is usually a certificate giving the document number, a short description of the exhibits, and a statement on the location of the original document or copy of the exhibit. The certificate is followed by the actual prosecution exhibit (most are photostats,



## NATIONAL ARCHIVES MICROFILM PUBLICATIONS

but a few are mimeographed articles with an occasional carbon of the original). The few original documents are often affidavits of witnesses or defendants, but also ledgers and correspondence, such as:

| <u>Exhibit No.</u> | <u>Doc. No.</u> | <u>Exhibit No.</u> | <u>Doc. No.</u> |
|--------------------|-----------------|--------------------|-----------------|
| 322                | NI 5140         | 1558               | NI 11411        |
| 918                | NI 6647         | 1691               | NI 12511        |
| 1294               | NI 14434        | 1833               | NI 12789        |
| 1422               | NI 11086        | 1886               | NI 14228        |
| 1480               | NI 11092        | 2313               | NI 13566        |
| 1811               | NI 11144        |                    |                 |

In rare cases an exhibit is followed by a translation; in others there is no certificate. Several of the exhibits are of poor legibility and a few pages are illegible.

Other than affidavits, the defense exhibits consist of newspaper clippings, reports, personnel records, Reichgesetzblatt excerpts, photographs, and other items. The 4,257 exhibits for the 23 defendants are arranged by name of defendant and thereunder by exhibit number. Individual exhibits are preceded by a certificate wherever available. Two sets of exhibits for all the defendants are included.

Translations in each of the prosecution document books are preceded by an index listing document numbers, biased descriptions, and page numbers of each translation. These indexes often indicate the order in which the prosecution exhibits were presented in court. Defense document books are similarly arranged. Each book is preceded by an index giving document number, description, and page number for every exhibit. Corresponding exhibit numbers generally are not provided. There are several unindexed supplements to numbered document books. Defense statements, briefs, pleas, and prosecution briefs are arranged alphabetically by defendant's surname. Pagination is consecutive, yet there are many pages where an "a" or "b" is added to the numeral.

At the beginning of roll 1 key documents are filmed from which Tribunal VI derived its jurisdiction: the Moscow Declaration, U.S. Executive Orders 9547 and 9679, the London Agreement, the Berlin Protocol, the IMT Charter, Control Council Law 10, U.S. Military Government Ordinances 7 and 11, and U.S. Forces, European Theater General Order 301. Following these documents of authorization is a list of the names and functions of members of the tribunal and counsels. These are followed by the transcript covers giving such information as name and number of case, volume numbers, language, page numbers, and inclusive dates. They are followed by the minute book, consisting of summaries of the daily proceedings, thus providing an additional finding aid for the transcripts. Exhibits are listed in an index that notes the

## NATIONAL ARCHIVES MICROFILM PUBLICATIONS

type, number, and name of exhibit; corresponding document book, number, and page; a short description of the exhibit; and the date when it was offered in court. The official court file is summarized by the progress docket, which is preceded by a list of witnesses.

Not filmed were records duplicated elsewhere in this microfilm publication, such as prosecution and defense document books in the German language that are largely duplications of the English-language document books.

The records of the I. G. Farben Case are closely related to other microfilmed records in Record Group 238, specifically prosecution exhibits submitted to the IMT, T988; NI (Nuernberg Industrialist) Series, T301; NM (Nuernberg Miscellaneous) Series, M-936; NOKW (Nuernberg Armed Forces High Command) Series, T1119; NG (Nuernberg Government) Series, T1139; NP (Nuernberg Propaganda) Series, M942; WA (undetermined) Series, M946; and records of the Brandt case, M887; the Milch Case, M888; the Altstoetter case, M889; the Pohl Case, M890; the Flick Case, M891; the List case, M893; the Greifelt case, M894; and the Ohlendorf case, M895. In addition, the record of the IMT at Nuernberg has been published in the 42-volume *Trial of the Major War Criminals Before the International Military Tribunal* (Nuernberg, 1947). Excerpts from the subsequent proceedings have been published in 15 volumes as *Trials of War Criminals Before the Nuernberg Military Tribunal Under Control Council Law No. 10* (Washington). The Audiovisual Archives Division of the National Archives and Records Service has custody of motion pictures and photographs of all 13 trials and sound recordings of the IMT proceedings.

Martin K. Williams arranged the records and, in collaboration with John Mendelsohn, wrote this introduction.

MILITARY TRIBUNAL NO. VI

CASE NO. 6

Prosecution Document Book No. 22

English



INDEX TO DOCUMENT BOOK XXII

I.G. Farben Case -- Count I/C

| Document<br>No. | Exhibit<br>No. | Description of Document  | Document<br>Book | Page in :<br>Trans-<br>cript |
|-----------------|----------------|--|------------------|------------------------------|
| NI - 1527       |                | Decision on priority of constructions of powder and explosive plants by Krauch Office after discussion with representatives of Minister Todt, OKW, etc., 18 May 1940.  | 1                |                              |
| NI-7294         |                | Authorization by Krauch Office to I.G. Elberfeld to use co-word "Krauch", 16 May 1941, and memorandum of OKW to the same effect, 14 June 1941.   | 5                |                              |
| NI-7291         |                | File note of General Thomas on discussions with Goering re planned war against Russia and priority of Krauch Plan, 27 February 1941.   | 7                |                              |
| EC-200          |                | File note for General Thomas on employment of slave labor in the Krauch plan, 4 October 1941.  | 10               |                              |
| EC-489          |                | Letter of Krauch Office to General Thomas stating that Krauch suggested the employment of Russian prisoners of war in armament industry, 20 October 1941.  | 12               |                              |
| NI-8915         |                | Document entitled explanations on the status of the chemical production plan as of 30 January 1943, dated February 1943.   | 13               |                              |
| NI-5934         |                | Letter of V/W transmitting list of technical commissioners of the Plenipotentiary General for Special Questions of Chemical Production, 13 July 1943.  | 19               |                              |
| NI-1336         |                | Letter from Krauch Office addressed to all plants and plant construction managements on measures to bring back escaped French workers, 9 August 1943.  | 29               |                              |
| NI-7569         |                | Carbon copy of letter of Krauch to Kehrl, Chief of the Raw Materials Office of Speer's Ministry on rubber allocation, pointing out his own efforts to obtain foreign workers, prisoners of war, concentration camp inmates, convicts, etc. "This initiative of my collaborators obtaining man-power which has proved so successful in the past must not be hindered in future", 13 January 1944. | 33               |                              |





| Document<br>No. | Exhibit<br>No. | Description of Document  | Document<br>Book | Page in :<br>Trans-<br>cript |
|-----------------|----------------|--|------------------|------------------------------|
| NI-7574         |                | File note by Krauch's deputy, Dr. Ritter on discussions of labor allocation activities of Krauch's Office and annexes, 13 February 1944.   | 35               |                              |
| NI-7572         |                | Copy of letter of Krauch Office to Minister Speer on withdrawals from Krauch's construction workers asking that with regard to the repercussions in Auschwitz 1700 concentration camp inmates should not be included in the number of workers to be put at the disposal of the "Fighter Staff", 18 May 1944. | 41               |                              |
| NI-7571         |                | Report on conference of Speer, Krauch, Kehrl and others at Leuna plant, concerning allocation of labor including concentration camp inmates, 15 and 16 May 1944.   | 44               |                              |
| NI-2972         |                | Affidavit of Krauch on his connection with the employment of slave labor and his participation in the 43rd meeting of the Central Planning Board, 22 January 1947.   | 47               |                              |
| NI-5821         |                | Interrogation under oath of Minister Speer on Krauch's Office and his functions, 12 March 1947.  | 54               |                              |
| NI-656          |                | Letter of Lt. Col. Kirschner on Krauch's staff to defendant Schnitzler thanking him for putting personnel at the disposal of Krauch's Office, 25 October 1941.   | 59               |                              |
| NI-682          |                | Letters concerning purchases of 10,000 copies of book by Gritsbach on Goering on the occasion of Goering's jubilee. Letter from defendant Schneider to defendant Schmitz on this subject, 26 March 1938; letter of Ilgner to Schmitz, 31 March 1938; copy of Goering's letter to Schmitz, 23 April 1938.     | 64               |                              |
| NI-536          |                | Six documents concerning birthday present from defendants Krauch and Schmitz to Goering, January 1939.   | 63               |                              |
| NI-540          |                | Five documents concerning birthday present from defendants Krauch and Schmitz to Goering in January 1940.  | 67               |                              |

| Document<br>No. | Exhibit<br>No. | Description of Document   | Page in :<br>Document<br>Book | Trans-<br>cript |
|-----------------|----------------|---|-------------------------------|-----------------|
| NI-532          |                | Two letters concerning birthday present from defendants Krauch and Schmitz to Goering, January 1942.  | 69                            |                 |
| NI-543          |                | Five documents concerning birthday present from defendants Krauch and Schmitz to Goering, January 1943.   | 71                            |                 |
| NI-1315         |                | Two documents concerning birthday present from defendants Krauch and Schmitz to Goering, January 1944.  | 74                            |                 |
| NI-628          |                | Announcement of Wolff-News Agency of the appointment by Hitler of a "General Council of Economy", 15 July 1933.   | 75                            |                 |
| NI-3512         |                | Affidavit of General Warlimont on military economic Leaders, 31 Jan. 1947.  | 76                            |                 |
| NI-4623         |                | Copy of confidential letter of Military Economic Inspectorate Munster to Dr. Flinzer Leverkusen informing him of the creation of the Military Economic Leader Corps and prerequisites for such an appointment, 16 March 1937. | 94                            |                 |
| NI-533          |                | Copy of letter of Schmitz to State Secretary Posse, in Ministry of Economics, thanking him and Goering for his appointment as Military Economic leader, 4 February 1938.  | 92                            |                 |
| NI-8197         |                | Book of Dr. Karl Guth, General Manager of Reich Group Industry, on Reich Group Industry, 2nd edition, Berlin 1941.  | 93                            |                 |
| NI-3798         |                | Book on structure of Reich Group Industry, 3rd edition, April 1941, edited by General Management of the Reich Group.  | 105                           |                 |
| NI-077          |                | Minutes of meeting of the Advisory Board (Beirat) of the Reich Group Industry, 11 February 1938.  | 111                           |                 |

TRANSLATION OF DOCUMENT No. NI - 1527  
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES

Ministerpräsident  
Fieldmarshal GOERING  
Plenipotentiary for the  
Four Year Plan  
The Plenipotentiary General  
for Special Questions of Chemical Production

Stamp: Top Secret  
Berlin, 18 May 1940

27 copies

|   |         |        |  |
|---|---------|--------|--|
| Decision on the priority classification of the powder and explosives factories building schemes in the Kassel district. | 1 - 3   | copies | Reichminister                            |
|   | 4 - 6   | "      | Dr. TODT                                 |
|   | 7       | "      | Professor                                |
|   | 8       | "      | Dr. KRAUCH                               |
|   | 9       | "      | Dr. RITTER                               |
|   | 10      | "      | Dr. AHL                                  |
|   | 11 - 12 | "      | Dr. RAUH                                 |
|   | 13 - 16 | "      | RINGLER                                  |
|   | 17      | "      | High Command of the Armed Forces West.   |
|   | 18      | "      | High Command of the Army Ordnance Office |
|   | 19      | "      | Armament Inspection Kassel               |
|   | 20 - 21 | "      | Armament Command Kassel                  |
|   | 22      | "      | Armament Command Giessen                 |
|   | 23      | "      | Organization TODT Kassel                 |
|   | 24      | "      | Professor Dr. KRAENZLEIN                 |
|   | 25 - 27 | "      | DAG, Director SCHINDLER                  |
|   |         |        | TASAG, Dr. MARQUARD                      |
|   |         |        | File copy Dr. RITTER                     |

On 17 May 1940 the building sites of the powder and explosives factories within the district of Kassel were inspected.

At a meeting, which was attended by representatives of the offices of the High Command of the Army, Ordnance Office, Armament Inspection Kassel, Armament Command Giessen, and Armament Command Kassel, Inspector General for the German Highway System Branch Office Kassel, Military District Plenipotentiary of the Reich Minister Dr. TODT for the Military District 9; Plenipotentiary General for special questions of Chemical Production, Dynamit Action Gesellschaft and TASAG, the following was laid down:

1. Allendorf.

The tri-plant of the DAG including the filling and tamping installations is being built in 4 parts at 800 - 900 tons per month each. The main point of the decision made was to the effect that the first quarter should be completed by July, while the

(page 1 of original, cont'd.)

remaining parts should be completed within a period of approx. 6 - 8 weeks.

(page 2 of original)

Allendorf must be regarded as main part of the building scheme. With regard to the machinery there are no bottle-necks. Whether the building can be completed in time depends only on whether sufficient workers will be available. At present there are 3700 men at the building site, another 1000 German workers are necessary, also 1200 temporary workers (prisoners) for the construction of waste-water channels etc. The Armament Inspectorate has tried to obtain prisoners from the Ziegenhain camp, but has not succeeded. It must urgently be tried to effect in Berlin the immediate release of 1200 prisoners.

The branch office believes to be able to settle the question pertaining to building workers at Allendorf in collaboration with the Regional Labor Office. The main tasks in the plant in chronological order are as follows:

- a) First quarter of tri-production (800 - 900 tons per month). Start of operation 1 July 1940.
- b) Temporary installation for filling grenades 10.5 cm. Start of operation 1 July 1940.
- c) Bomb-filling installation.
- d) Second quarter of tri-production (800 - 900 tons per month).

To put the plant into operation 300 men will be required, in August/September this requirement will increase up to approx. 800 men.

## 2. Hexa-plant and filling installation of MSIG.

By order of the navy a plant for the production of 360 tons per month of hexa is to be built in two building periods, also, in four building periods, a filling installation for navy explosives. The navy wants hexa production as well as half of the filling installations to be postponed for the present until 1 October 1940. At the building site the preparatory work is being started, a few places, where buildings are to be erected, are being excavated. Annexes have already been boarded in. Available building workers: 1300, immediate requirement: 1100, which could be met for simple digging by prisoners or foreign workers. It is to be checked in collaboration with the navy, whether the building cannot be stopped completely, in order to make workers available, and whether the filling installation cannot be incorporated temporarily or established somewhere else.



( page 3 of original)

### 3. Hessian-Lichtenau.

The existing tri-plant with a capacity of 1000 tons per month of the DAG is in full operation, as well as part of the extension with a capacity of 600 tons per month. The picric acid plant with a capacity of 250 tons per month is almost completed, the extension of the tamping and filling installation is also nearly completed. These parts are to be regarded as the main parts of the plant.

The building of the acid splitting plant must be continued for reasons of raw materials supply, even if its completion is not absolutely necessary for the start of operations.

The NP-plant with a capacity of 150 tons per month, as well as the recrystallization plant can be postponed. This work is being carried out at present by 1750 building workers, an additional 300 men are required and will be provided by the branch office TODT in Kassel.

With reference to the decisions of the last few days it has been determined to operate in Hessian-Lichtenau above all the tamping and filling installations in several shifts to make full use of their capacity. There are 1600 men and 850 women working in that plant, the immediate requirement is 400 men and 1260 women, at the beginning of June another 400 men. The branch office TODT will immediately provide 200 men. Further men required will be immediately drawn from the building workers until a replacement with new additional workers is possible. Details are left to the plant or construction management, President Dr. BRAUN in Kassel has definitely promised the plenipotentiary for the military district that the requirement of women can be met as soon as the accommodation problem in Hessian-Lichtenau has been settled. The construction of the housing camp is almost completed. The branch office TODT has to solve the accommodation question under any circumstances.

#### General points of view.

1. To do away with bottle-necks in the housing situation, it is urgently recommended to make the branch office TODT solely responsible for the housing, of which at present the Verwertungsgesellschaft fuer Montanindustrie is still in charge.

TRANSLATION OF DOCUMENT No. NI 1527  
CONTINUED

(page 4 of original)

B. Local offices of the German Labor Front have to be instructed to keep in closer contact with the management and the branch offices of the TODT Organization in their district, to bring about an immediate clarification in regard to the objections and complaints pertaining to the housing problem, without having these matters dealt with by the Central Offices in Berlin.

C. It is urgently required that in places which are near prisoners camps, prisoners will be made available temporarily for urgent work. In these cases the permanent inspectorates must be granted some influence locally. The prisoners should not be familiarized with the work by their guards, but by foremen of the construction company, while the guards should be restricted to the actual guarding of the prisoners.

D. In the district of Kassel the problems pertaining to the workers in the district proper can be solved in collaboration with the Branch Office Kassel TODT, the Regional Labor Office and the Plenipotentiary for the Military District.

The plant and filling installations are to be given priority in Hessian-Lichtenau, after that the requirement of building workers will be met.

CERTIFICATE OF TRANSLATION

2 August 1947

I, Brigitte TURK, Civ. No. 35 130, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of document No. NI - 1527.

Brigitte TURK  
Civ. No. 35 130

- 4 -

- END -



TRANSLATION OF DOCUMENT No. NI-7294  
OFFICE OF CHIEF OF COUNSEL FOR THE CHIEF

Draft

Ms. 3996/41 secret

22

Supreme Command of the Wehrmacht

Berlin, 14 June 1941

Ref. No. 43 Economic Armaments Office/  
Armaments VII b

No. 3996/41 secret

Secret

Reference: OKW Ref. No. 43

Economic Armaments Office/Armaments VII b  
No. 2247/41 secret of 29 March 1941

Subject: Transportation of hexamethylene tetramine under  
code name "KRAUCH"

Supplementing the above directive an order has been issued to the effect that bills of lading for hexamethylene tetramine which is delivered in the quantities quoted by the firms mentioned below, are to be marked with the code word "KRAUCH".

| <u>Producer</u>                            | <u>Location</u> | <u>Production in tons per month</u> |
|--|-----------------|-------------------------------------|
| Deutsche Gold- und<br>Silberscheideanstalt | Waldau          | 800                                 |
| I.G. Farbenindustrie A.G.                  | Elberfeld       | 400                                 |

The Plenipotentiary General for Chemistry points out that hexamethylene tetramine is a chemical product of essential and decisive importance to the war effort.

The Chief of the Supreme Command of the Wehrmacht

By order

D (?)

initial: F

initial:

27 May

initial: To

Distribution:

Armaments Inspectorate III with copy for Armaments Command Potsdam  
Armaments Inspectorate VI with copy for Armaments Command Duesseldorf

stamp:

out 17 June 1941

For information:

Plenipotentiary General for Chemistry

for the files.

Ms: (illegible)

B 43 secret (Ring ?)

TRANSLATION OF DOCUMENT No. NI-7294  
CONTINUED

The Commissioner for the Four Year Plan Berlin 7 9, 16 May 1941  
Saarlandstrasse 128

The Plenipotentiary General for  
Special Questions concerning  
Chemical Production

Telephone: 120048  
Teleprinter: K 1-113  
Telegraphic Address:  
Gebochen

Reference: I T 2 vS/bn/K1 Code word 7277  
Journal No. 3832/41 secret

initial  
illegible 21 May

Reference:

Stamp: Secret

Hsl: (signature) illegible

Subject: Dispatch of Hexamethylene  
Tetramine under the code  
name "KLAUCH"

Stamp:  
Economic Arrangements Office  
Arrangements VII 21 March 1941

To the  
Supreme Command of the Wehrmacht  
for the attention of Lieutenant Colonel EBNICH

Ref.No.  
No. 3996/41 secret

Berlin W 35  
Bondhorstr. 15

In order to avoid misunderstandings, we request you to inform  
the Arrangement Command concerned, that hexamethylene tetramine is a  
chemical product of essential and decisive importance to the war  
effort.

| <u>Producer</u>                            | <u>Location</u> | <u>Production in tons per month</u> |
|--|-----------------|-------------------------------------|
| Deutsche Gold- und<br>Silberscheideanstalt | Witten          | 800                                 |
| I.G. Farbenindustrie AG                    | Elberfeld       | 400                                 |

Production must be guaranteed to the extent stated above through  
the transportation of the finished product under the code name "KLAUCH".

I should be obliged if you would inform me of the steps taken.

Heil Hitler!  
By order  
signature illegible

CERTIFICATE OF TRANSLATION

2 August 1947

I, Beryl ESHWICK, AGO No. D-427459, hereby certify that I am  
thoroughly conversant with the English and German languages and  
that the above is a true and correct translation of the document  
No. NI-7294.

Beryl ESHWICK  
AGO No. D-427459

TRANSLATION OF DOCUMENT No. NI-7291  
OFFICE OF CHIEF OF COUNSEL FOR THE ARMY

Berlin, 27 February 1941

Stamp: Top Secret

Memorandum for the files on a report given at the  
Headquarters of the Reichsmarschall on 26 February 1941

The following were dealt with:

1. Thanks for a picture sent on the occasion of his birthday.
2. Memorandum on the effects of an operation in the East.

The Reichsmarschall agreed with me that the occupation of the Ukraine only is of no value, but that the Baku mineral oil area must at all costs be occupied also. He, as well as the Fuehrer, was of the opinion that the whole Bolshevik state would collapse as soon as German troops marched into Russia, and that therefore no large scale destruction and total elimination of supplies and railroads such as I had feared is to be expected. The most important thing would be the rapid dispatch of the Bolshevik leaders. A particular source of anxiety for the Reichsmarschall was the interruption of communications with the Far East, which I specially pointed out to him. He told me that an agreement should be reached with the Japanese to re-open the Siberian railroad as soon as possible. The Reichsmarschall then spoke of the dangers of the whole operation which, in his opinion, can lie only in the failure of the necessary large scale supply organization. He pointed out that Napoleon, too, had failed owing to lack of supplies, and that he was constantly pressing the Fuehrer to increase the supply organization and to reduce the number of divisions to be formed which would only partly be in the front-line.

( page 2 of original )

Furthermore I pointed out our shortage of fighting men, which would become still more acute as a result of the operations in the East in which the long front-lines and the huge areas involved, increased the difficulty to be overcome. The Reichsmarschall admitted this and again made reference to his desire to avoid the formation of unnecessarily large numbers of new divisions. In answer to my objection, that we could only supply sufficient fuel for the operation - apart from the bringing up of the troops - for two months, the Reichsmarschall replied that he was to meet ANTONESCU the following week in Vienna, in order to hasten the development of the Roumanian oil fields. In connexion with the rubber situation, which I described as particularly grave, he ordered General von SCHELL to give orders for the production of substitute rubber for truck tires. It was impossible to waste our last rubber reserves on the bad Russian roads. With special emphasis the Reichsmarschall told me that he wanted to exploit the military economic assets of occupied Russia in a manner different from that which had been employed in the West and in Poland. He demanded that this responsibility be taken from the OKH and that an absolutely independent organization under his

( page 2 of original, cont'd )

command be created, an organization, which would advance into the country with the front line troops, carrying definite instructions, which are to be laid down beforehand. He charged me with the responsibility for the preparation and instructed me to make regular reports to him. He said that the Fuehrer had approved this request. I reported to him that these preparations were already under way and that I should submit the draft of the organization shortly.

3. Further detailed report on the gasoline situation. The Reichsmarschall then signed a new appeal to all Party offices and Reich authorities for the saving of gasoline and rubber.

( page 3 of original )

4. Soldiers temporarily released from the Wehrmacht for armaments work in 1940.

The Reichsmarschall did not agree with the measures taken by Mr. TOBY - especially, with the distribution of the 22 200 service men temporarily released from the Wehrmacht, for armaments work in 1940 - and ordered Generaloberst UDET to record the effects of this measure, so that he could make a report to the Fuehrer on the subject. The Reichsmarschall considered impossible UDET's request, that all soldiers temporarily released for armaments work in 1940, be retained in the armaments industry instead of returning to the Forces.

5. Krauch Plan.

The Reichsmarschall had signed a new decree, according to which the Krauch Plan has priority over the other Wehrmacht products. The Reichsmarschall agreed with me that the products should in fact be put at the top of the groups concerned, but that no special group should be created.

6. Manpower Situation.

I once more gave the Reichsmarschall full information on the manpower situation, especially the shortage in the special groups. He said that on the strength of that he would again speak to the Fuehrer on the question and ask the Fuehrer to limit as much as possible his constant requests for an increase in the number of military units to be formed.

7. I asked the Reichsmarschall to induce the Fuehrer to cancel all measures for "Operation Sealion" ("Seelowe"), which provided for the reservation of all shipping space. The transport situation would be so serious in March and April, that we must at all costs commission all shipping space which had been kept in reserve for other tasks.

(signature) THOMAS 26 February



TRANSLATION OF DOCUMENT No. NI-7291  
CONTINUED

CERTIFICATE OF TRANSLATION

2 August 1947

I, Beryl HESWICK, AGO No. D-427459, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of the document No. NI-7291.

Beryl HESWICK  
AGO No. D-427459

TRANSLATION OF DOCUMENT NO. EC-200  
OFFICE OF CHIEF OF COUNSEL  
FOR WAR CRIMES

---

(Transl.-Note  
Handwritten Note) for: General NAGEL  
Please submit  
matter to Reichs-  
marschall  
Illegible initial  
Document.

---

Rue (IV d/c)

Berlin, 4. October 1941.

Re: Labor allocation of Russian P.W.'s and civilian workers.

Conference notes for office chief

- I. Immediate need for workers for the most important branches of the war economy: At present about 800.000 (of this for the armament industry, mostly SS- und S-priority (Transl.note: both expressions mean special priority): 404.000, the Krauch Plan: 43.000, Reichsbahn: 101.000.)
- II. According to the speech of the Fuehrer of 3 October 1941, the entire European continent must be exploited for the German war economy. In the first place, the utilization of all available workers is concerned by this. According to WEST/L only a small contribution to the extension of the war economy can be made by the planned reorganization of the Wehrmacht. It is therefore impossible to cover the actual labor requirements unless we use Russian P.W.'s and civilian workers (see encl. 1 and 4). The experiences we have had up to now have shown that among both the Russian P.W.'s and the Ukrainian civilian workers a considerable reservoir of skilled labor is available (see encl.3)
- III. Both the Foreign Counter-Intelligence and the Reichsfuehrer SS do not agree with the use of Russian civilian workers either from the old Russian or from the new Russian territories, and only agree to the use of Russian P.W.'s under very difficult conditions (handwritten note: Transl.Note: Ruhr Mines-approved)
- IV. It must be demanded that:
  - 1) Russian P.W.'s - in groups - are to be accepted for



TRANSLATION OF DOCUMENT NO. EC-200  
CONT'D.

(page 2 of the original)

use in the armament industry and in surface mining operations too.

- 2) Moreover, hiring of Ukrainian civilian workers for the underground mining operations is to be approved.
- 3) The objections of counter intelligence have to be disregarded in favor of the labor allocation requirements.

4. Enclosures

(Transl. Note:  
Handwritten notes:

Encl. 1 u. 2 back to Rue IV c (?)  
" 3 " 4 to the previous

EDC Gotha  
POW's-Russians

Various illegible notations).

CERTIFICATE OF TRANSLATION

I, Dorothea L. GALEWSKI, ETO No. 34079 hereby certify, that I am thoroughly conversant with the English and German languages; and that the above is a true and correct translation of Document No. EC-200

DOROTHEA L. GALEWSKI  
ETO No. 34079  
U.S. CIVILIAN

TRANSLATION OF EXTRADITION DOCUMENT  
No. EC-489  
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES

Oberstleutnant z.V. (Lt. Col. Available  
for Duty) KIRSCHNER  
in Staff of the Plenipotentiary General  
for Special Questions of the Chemical  
Production  
Prof. Dr. O. KRAUCH

(Translator's Note:  
Handwritten number:)  
17

(Translator's Note:  
Semi-illegible receipt stamp:  
Wi-Rue Office  
23 Oct. 1941  
(Handwritten number:)  
6849/419

Berlin W 9, 20 Oct. 1941  
Scharlandstr. 128  
Tel.: 120048

7617/415

S e c r e t

(Translator's Note:  
Various illegible handwritten notes)

To Chief of the Office of Military  
Economy and Armament in the Supreme  
Command of the Wehrmacht,  
General of Infantry THOMAS  
BERLIN W 62

Dear General,

Professor KRAUCH asked me yesterday, when I visited him, on his sick-bed, to express his very special thanks to you for your energetic efforts in the "Distress Project Bruoch", and for your willingness to stress the importance of the meeting on 23 October, which has become unnecessary owing to the preliminary work of all persons implicated by your own presence.

During my visit, Professor KRAUCH developed an idea concerning the employment of Russian POW's in the armament industry, for the further development and, especially, the execution of which he considers you, dear General, to be the right man.

I made a short note of the ideas of Professor KRAUCH in the enclosure, which I am herewith handing you obediently as a suggestion of the P.B.-Chemie (Plenipotentiary General for Chemical Production).

Heil Hitler!

Yours very obediently

Encl.

(signature) KIRSCHNER

CERTIFICATE OF TRANSLATION

I, DOROTHEA L. GALEWSKI, ETO No. 34079, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of Document No. EC-489.

DOROTHEA L. GALEWSKI  
ETO No. 34079

( E N D )

(page 8 of original)

Reichsmarschall Goering  
Plenipotentiary for the Four Year Plan

Chemical Production Plan  
Index

- I Survey of the Invested Assets
- II Individual Presentation of the Most Important Sectors
  - 1 Mineral Oil
  - 2 Aviation motor fuels
  - 3 Aluminum
  - 4 Magnesium
  - 5 Generation of current
  - 6 Buna
  - 7 Synthetic materials
  - 8 Leather substitutes
  - 9 Synthetic tanning materials
  - 10 Nitrogen
  - 11 Gunpowder
  - 12 Explosives
  - 13 Basic chemicals
  - 14 Cellulose and rayon
  - 15 Industrial oils and fats

III Changes in the supply situation in 1942 as compared with 1936, achieved in the most important sectors

Situation as of  
January 1943

3502

(page 9 of original)

.....

I. Survey of the assets invested in the Chemical Production Plan.  
The enormous economic happenings which the Chemical Production Plan is bringing about as part of the Four Year Plan and which are aiming to reach the given goal, by planning and directing, are shown on the attached chart I in a summarized form.

The quantity of iron which was used for new plants shows the extent of the total economic expenditure within the Chemical Production Plan. The left column shows these figures for the individual years. The column next to it shows the distribution, in percentages, with respect to the main fields of the Chemical Production Plan.

The 13,25 million tons of iron which were used in the construction of new plants thus far, and the expansion of existing plants are equivalent to a total investment of approx. 16 000 million RM of the German nation's assets, as may be calculated from the quantities of iron on the basis of the figures arrived at by experience, of the Chemical Industry; i.e. on an average approx. 2,500 million RM per year were invested in the course of 6 years of development. These assets, invested in new plants, provide the German Wehrmacht today with the raw materials necessary for the conduct



(page 9 of original cont'd)

of the war. Further investments, which will however decrease, will have to be made over the next few years.

To be able to create these assets for the plants within the Chemical Production Plan approx. 800 000 workers had to be employed constantly within the entire German economy during these six years of development; of these, approx. 200 000 workers at the actual building-sites. The number which is supposed to be at the building-sites and which has been recognized by the Central Planning (Zentrale Planung), but could not yet be put to work, is approx. 225,000 men for 1942. Even during the preceding years there has always been a shortage of 20,000 - 40,000 men at the building sites, for the completion of the new plants of the Chemical Production Plan.

The great fluctuation in the number of workers at the building-sites, which can be attributed especially to the assignment of foreign workers and men liable to be called up for military service, is responsible for the fact that up to now the constantly required number of workers had to be renewed, on an average, every 9 months, owing to the fact that so many were leaving, i.e. for a building project which lasted approx. two years, new workers had to be recruited or made available almost three times over during this period.

The number of factory workers within the Chemical Production Plan has increased during the last 18 months from 230,000 to more than 300,000 men in the main fields. Of these approx. 100,000 are in the powder and explosives industry, while under "Chemistry" we have only that part of the production branches of the total chemical industry which is particularly important from the viewpoint of national defense.

The sales value of the production from the new plants of the Chemical Production Plan has considerably increased from year to year and already amounts to 3 - 3,500 million RM in 1942.

.....

(page 11 of original)

1. Mineral oil (motor fuels, lubricants, and similar)

Due to the decisive significance of mineral oil in war, the new construction and expansion of plants for the production of mineral oil was the core of the chemical production plan. Whereas in the enemy countries it was possible to build up a technically simple mineral oil industry on the basis of petroleum, Germany was forced, because of the lack of sufficient occurrences of petroleum, to build up a synthetic production, based essentially on coal. The attached chart shows the total production of mineral oil from German raw materials: In the year 1942 it attains approximately 6 million tons per year, rising in the year 1944 to 8 million tons per year and later on to 11 million tons per year. In each case this includes approximately 2 million tons per year from German petroleum. For this increase of production the following processes were available: --

(page 11 of original cont'd)

1. Hydrogenation. The high pressure process of the I.G. Farbenindustrie produced, using the natural coal structure, out of coal, lignite, but also out of tars, pitches or petroleum under 300 - 700 atm pressure, aviation motor fuels, automobile gasoline, diesel motor fuels, fuel oils, lubricants and paraffines. This process is thus far the only one which is in a position to furnish motor fuels which meet the quality requirements of the Luftwaffe, and marine fuel oils which combine with a maximum heating value per liter a specific weight which is greater than that of salt water. For use in war it has particular significance also in this way, that it allows of producing predominantly aviation gasoline or automobile gasoline or diesel fuel, depending in each case on the requirements.

So far 12 high pressure hydrogenation plants with an achieved output of 2.5 million tons per year of motor fuels have been erected. The development of an additional 6 hydrogenation plants will allow the total hydrogenation output to rise to over 5 million tons per year of motor fuels.

2. Synthesis. The Fischer process of Ruhrchemie gasifies the coal and reconstructs from carbon oxide - hydrogen gas mixtures hydrocarbons which produce particularly good diesel motor fuel and furnish a paraffine which represents the basis of the fatty acid synthesis. The 9 Fischer synthesis plants which have been erected have a production capacity of 0.5 - 0.6 million tons of product per year.

3. The low-temperature distillation of lignite aims to remove the tar from lignite before it is burned up in the power plants. In 1940 already, 1.0 million tons of tar per year were obtained. The coal put through the low-temperature distillation plants will increase in 1943 to approximately 33 million tons per year, the production of tar to 2.2 million tons per year, of which approximately 1.6 million tons per year will be used in hydrogenation plants as raw materials.

4. The low-temperature distillation of coal had first to develop suitable processes for the various types of coal, so that development on a large scale will not begin until 1943. In 1946 there are to be subjected to low-temperature distillation 23 million tons of coal per year, particularly in the Saar and in Upper Silesia, from which 17 million tons of coke per year and 1.9 million tons of mineral oil per year are expected. The low-temperature distillation of coal has particular significance for the German production of coke, since high temperature coking cannot be increased sufficiently, due to a lack of suitable coal deposits.

5. Synthetic production of lubricants. In view of the scarcity of petroleum as a raw material for the production of lubricants in the German territory, the chemical synthesis of high grade lubricants from the waste gases of the hydrogenation and synthesis plants, and from paraffine, is of particular significance. Aviation motor oil, motor oil for the Wehrmacht, superheated steam cylinder oil, as well as, on the basis of the experiences of last winter, cold-resistant lubricants, particularly axle grease for the Reichsbahn, are supplied from this source; in 1942 approximately 40,000 tons.

(page 11 of original cont'd)

6. German and Estonian oil shale deposits as well as a German oil chalk deposit are also being utilized by the Chemical Production Plan for obtaining mineral oil and are to make a contribution of several 100,000 tons of oil per year.

(page 12 of original)

## 2. Aviation Motor Fuels.

The high quality of aviation motor fuels which the German Air Force demands can practically be made available in Germany only from the products of the hydrogenation plants. Unlike gasoline, diesel motor fuel and fuel oil, which are for instance also imported from Rumania, such import possibilities for aviation gasolines exist only to a very small extent, since they are produced in considerable quantities only in America, on the Persian Gulf and in East Asia. Therefore the Chemical Production Plan has always laid the greatest emphasis on furthering the production of aviation motor fuels. For reasons of the coal structure the most suitable raw material for the production of aviation gasoline is pit-coal. Before Upper Silesia was available for the development of plants, the main production centre for aviation gasoline had of necessity to be established on the Ruhr.

The attached chart shows the German aviation motor fuel production: The low production of 1936 (76,000 tons) was increased by 1941 to 839,000 tons. The production in 1942 is estimated at approx. 1.4 million tons and in 1943 at 1.9 million tons per year.

A considerable part of the plants can be converted to "maximum aviation motor fuel production" and can produce much more aviation motor fuel if the production of automobile gasoline and diesel motor fuel is decreased accordingly. In case of a maximum aviation motor fuel production, a production of 2.3 million tons would be possible as early as 1943 and in the final stage a production of 3.5 million tons. However, the possibility of this conversion can only be utilized, when additional quantities of automobile gasoline, diesel motor fuel or fuel oil are made available from other sources, for instance additional production of mineral oil. Apart from this switch over, various hydrogenation plants are so equipped that a considerably increased production of aviation motor fuels can be achieved in them if foreign mineral oil is made available.

Of particular importance is the proportion of "high capacity aviation motor fuels" marked red in the chart, which is supposed to reach approx. 100% of the entire aviation motor fuels in the final stage; the production target is 3.4 million tons. High capacity aviation motor fuels allow of a particularly increased engine efficiency in aircraft engines specially developed for these motor fuels. They consist of mixtures of a normal aviation motor fuel with a high capacity component. The latter are substances of the so-called iso-octane type or of the so-called aromatic type.

The raw materials for the iso-octane production are available in America in almost unlimited quantities, while we in Germany use only



(page 12 of original cont'd)

the waste gases - available only in small quantities - of the hydrogenation plants, and have furthermore developed - as an independent raw material basis - the gasification of coal and the synthesis of the gasification products into higher alcohols. In total our planning reaches only a proportion of 20% iso-octane in the high capacity aviation motor fuel, compared with for instance 50% and more in USA.

We have succeeded, through a special treatment of aviation motor fuels out of hydrogenation with special "catalysers", the so-called aromatization and dehydrogenation, in obtaining an additional high capacity component (aromatic type), which gives still better engine efficiency in aircraft than the high capacity aviation gasolines on the basis of iso-octane as used in America. The German high capacity aviation gasoline consists therefore nowadays of a highly aromatic special basic gasoline with an admixture of 20% iso-octane.

.....

(page 15 of original)

#### 4. Magnesium.

The significance, from the viewpoint of military economy, of the specifically particularly light magnesium metal (specific weight: iron - 7.86, aluminum - 2.69, magnesium - 1.74) lies, as in the case of the light metal aluminum, above all in its advantageous utilization in the construction of aircraft and vehicles. In addition to this, magnesium is also used for the production of incendiary bombs and other military requisites.

The increase of the production of magnesium shown on the attached chart 4 was achieved by the new construction or expansion of 5 magnesium plants in addition to the required raw material and auxiliary plants.

The plants for the production of magnesium also represent large electrolysis installations, and require, in the same manner as for the production of aluminum, extensive amounts of electric current.

Magnesium is produced, in contrast to aluminum, entirely from German raw materials. Magnesite, dolomite, as well as the anhydrous salts of the rock salt mines are used here as basic materials. In the case of the foundry in Her/ou (Norway), which is under construction, the magnesium content of salt water is used for obtaining the metal.

Since magnesium in many respects (the industrial application is in part in the form of magnesium-aluminum alloys) has properties that are related to those of aluminum, the requirements of magnesium rise to about the same ratio with the requirements of aluminum, the metals industry requiring about 10% of the requirements of aluminum in the form of magnesium.

Thus the Chemical Production Plan for the Greater German Economic Area aims at a total production capacity of approximately 100,000 tons of magnesium metal per year, corresponding to the total aluminum capacity of approximately 1,000,000 tons per year, mentioned on the previous page.

TRANSLATION OF EXCERPTS FROM DOCUMENT No. NI-8915  
CONTINUED

CERTIFICATE OF TRANSLATION

18 July 1947

I, HERBERT RODECK, No. B 397499, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of excerpts from the document No. NI-8915.

HERBERT RODECK, No. B 397499.

TRANSLATION OF DOCUMENT No. NI-5934  
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES

This document  
was available  
to the gentlemen  
of the 207th  
session of the  
Technical Management

Received  
16 July 1943

(Handwriting)  
Circulation  
Chief Engineer

Initiated  
Chief Engr. B ....  
Initials

I.G. FARBEINDUSTRIE A.G.

Vermittlungsstelle W

Dr.Di/Ra.

Berlin NW 7, 13 July 1943  
Unter den Linden 78

I.G. Farbenindustrie A.G.  
Management Division T,  
Frankfurt/Main/Hoechst.

Subject: Specialists appointed by the Plenipotentiary General for  
Special Questions of Chemical Production.

Enclosed herewith we send you a compilation of the specialists  
appointed by the Plenipotentiary General for Special Questions of Chemical  
Production.

In accordance with agreement with the Reich Ministry of Economics,  
Pres. KEHRL, these specialists appointed by the Plenipotentiary General  
for Special Questions of Chemical Production are in each case simultaneous-  
ly chiefs of the Technical Committee of the corresponding sub-section of  
the Economic Group Chemical Industry, in case such a sub-section was set  
up in the field in question.

VERMITTLUNGSSTELLE W

Signature

Signature

Enclosure.



(page 2 of original)

Specialists appointed by the Plenipotentiary General  
for Special Questions of Chemical Production.

- x) Simultaneously Chiefs of the corresponding Technical Committee of the  
Economic Group Chemical Industry.  
(as of 1.4.1943).

1) Sphere of Energy

|    |                                      |               |  |
|----|--------------------------------------|---------------|--|
| a) | Department of Private heating plants | Dir. JAEHNE   | I.G. Farbenindustrie A.G., Frankfurt-Hoechst   |
| b) | " " Public heating plants            | " KRETSCHMANN | Rhein-Westfaelisches Elektrizitaetswerk, Essen |
| c) | " " Waterpower plants                | " STEINER     | Alpen-Elektrowerke, Wien                       |
| d) | " " Transmission lines               | " GOLLHOFER   | Brown, Boveri & Cie., Mannheim                 |

2) Sphere of Gas and Coal

|    |  |                  |   |
|----|--|------------------|---|
| a) | Department of Gas production and transmission structures | REERINK          | Verein f.d.bergbaulichen Interessen, Essen    |
| b) | " " Coal distillation plants                             | Dr. DAME         | Sudetenlaendische Treibstoffwerke A.G., Bruex |
| c) | " " Coal production plant                                | Bergass. WUESTER | Reichsvereinigung Kohle, Berlin               |
| d) | " " Lignite production plant                             | Dr. HIRZ         | Braunkohlen-Industrie-Verein, Halle/S.        |
|    |  | Dir. HELBERG     | Anhaltische Kohlenwerke, Verw. Berlin         |

3) Sphere of Mineral Oil

|    |   |            |   |
|----|---|------------|---|
| e) | Department of Lignite distillation plants | Dr. OSTGEN | Lurgi-Gesellschaft f. Thermotechnik mbH., Frankfurt a./M. |
|----|---|------------|---|

(page 2 of original, cont'd)

|    |               |                               |                |  |
|----|---------------|-------------------------------|----------------|--|
| b) | Department of | Slate oil distillation plants | Dir.Dr.WINKLER | Continental Oel A.G., Berlin           |
| c) | "             | " Petroleum processing plants | Dir.Dr.WELLER  | Deurag-Nerag, Misburg/Hannover         |
| d) | "             | " Hydrogenation plants        | Dir.Dr.PIER    | I.G. Farbenindustrie A.G. Ludwigshafen |
| e) | "             | " Synthesis plants            | Prof.Dr.MARTIN | Ruhrchemie, Oberhausen-Holten          |

(page 3 of original)

|    |   |                                |                      |   |
|----|---|--------------------------------|----------------------|---|
| f) | " | " Benzol production plants     | Dir.Dr.Rudolf WELLER | Benzolverband, Essen                    |
| g) | " | " High duty lubricants plants  | Dr. ZORN             | Ammoniakwerk Merseburg GmbH., Leuna     |
| h) | " | " High duty motor fuels plants | Dir.Dr.PIER          | I.G. Farbenindustrie A.G., Ludwigshafen |
| i) | " | " Isooctane plants             | Dir.Dr.GIESEN        | Ammoniakwerk Merseburg GmbH., Leuna     |

#### 4) Sphere of Nitrogen

|    |               |                         |   |                                     |
|----|---------------|-------------------------|---|-------------------------------------|
| a) | Department of | Nitrogen plants Germany | Dir.Dr.v.STADEN   | Ammoniakwerk Merseburg GmbH., Leuna |
|    |               |                         | x) Chief of the technical committee 3 and subcommittee 3a |                                     |
| b) | "             | " Nitrogen plants West  | Dr.RUSSCHIEDT   | Ammoniakwerk Merseburg GmbH., Leuna |
| c) | "             | " Nitrogen plants East  | Dr. ASSMANN   | Stickstoff-Syndikat Berlin          |

#### 5) Sphere of Products Preliminary to FSK

|    |               |                   |  |                                     |
|----|---------------|-------------------|--|-------------------------------------|
| a) | Department of | Toluol plants     | Dir.Dr.WELLER                              | Benzolverband, Essen                |
| b) | "             | " Methanol plants | Dir.Dr.GIESEN                              | Ammoniakwerk Merseburg GmbH., Leuna |
|    |               |                   | x) Chief of the technical subcommittee 1ld |                                     |

(page 3 of original, cont'd)

- |    |  |   |   |
|----|--|---|---|
| c) | Department of Highly concentrated acid plants  | x) Dr. WILLFROTH<br>Chief of the technical committee 3 b        | Ammoniakwerk Merseburg GmbH, Leuna      |
| d) | " " Acid regeneration and concentration plants | x) Dr. v. NAGEL<br>Chief of the technical sub-committee 2 g     | I.G. Farbenindustrie A.G., Ludwigshafen |
| e) | " " Ethylene and methylene oxide plants        | x) Dir. Dr. AMEROS<br>Chief of the technical sub-committee 11 k | I.G. Farbenindustrie A.G., Ludwigshafen |
|    |  | Dr. BUELOW  | I.G. Farbenindustrie A.G., Ludwigshafen |
|    |  | Dr. ROSER   | I.G. Farbenindustrie A.G., Ludwigshafen |

6) Sphere of Smoke Screen Materials

- |    |   |   |   |
|----|---|---|---|
| a) | Department of Smoke screen materials plants | x) Dir. Dr. BURSTER<br>Chief of the technical committee 2 b | I.G. Farbenindustrie A.G., Ludwigshafen |
|----|---|---|---|

(page 4 of original)

7) Sphere P-S

- |    |                             |                    |                                      |
|----|-----------------------------|--------------------|--------------------------------------|
| a) | Department of Powder plants | Dir. ODICKA        | Deutsche Sprengchemie A.G., Berlin   |
| b) | " " Explosives plants       | Dir. SCHINDLER     | Dynamit A.G., Troisdorf              |
| c) | " " Stabilizer plants       | Dir. Dr. HABERLAND | I.G. Farbenindustrie A.G., Uerdingen |

8) Sphere C

- |    |  |                 |   |
|----|--|-----------------|---|
| a) | Department of Chemical Warfare Agents plants | Dir. Dr. AMEROS | I.G. Farbenindustrie A.G., Ludwigshafen |
|----|--|-----------------|---|

22



(page 4 of original, cont'd)

9) Sphere T

- |    |  |                          |   |
|----|--|--------------------------|---|
| a) | Department of Plants on electrolytic basis | President<br>PIETSCH     | Elektrochemische Werke<br>München, Hoellriegelskreuth |
| b) | " " Plants on chemical basis               | Dir. Dr. MUELLER-CUNRADI | I.G. Farbenindustrie<br>A.G., Ludwigshafen            |

10) Sphere of Rubber

- |    |                                      |   |   |
|----|--------------------------------------|---|---|
| a) | Department of Buna Production plants | Dir. Dr. JEBROS<br>x) Chief of the technical committee and subcommittee 13b | I.G. Farbenindustrie<br>A.G. Ludwigshafen                   |
| b) | " " Soot Production plants           | Dir. Dr. BERTHOLD<br>x) Chief of the technical subcommittee 13b             | Deutsche Gold- u. Silberscheideanstalt,<br>Frankfurt/M.     |
| c) | " " Vulcanization accelerator plants | Dr. LUDWIG<br>x) Chief of the technical subcommittee 13b                    | I.G. Farbenindustrie<br>A.G., Leverkusen                    |
| d) | " " Rubber accessory products plants | Dir. Dr. KOCH   | Phoenix, Hamburg-Harburg                                    |
| e) | " " Rubber processing plants         | Dr. WEBER   | Continental A.G.,<br>Hannover                               |
| f) | " " Coke Sagys plants                | Dr. MEYER   | Ostgesellschaft f. Pflanzen, Kautschuk u. Guttapercha, Bln. |

11) Sphere of Industrial Oils and Fats

- |    |                                |   |   |
|----|--------------------------------|---|---|
| a) | Department of Glycerine plants | Dir. Dr. MUELLER-CUNRADI<br>x) Chief of the technical subcommittee 32 g | I.G. Farbenindustrie<br>A.G. Ludwigshafen |
|----|--------------------------------|---|---|

(page 5 of original)

- |    |                       |  |                               |
|----|-----------------------|--|-------------------------------|
| b) | " " Detergents plants | Dir. Dr. HERTSCH<br>x) Chief of the technical committee 15 | Henkel & Cie.,<br>Duesseldorf |
|----|-----------------------|--|-------------------------------|

(page 5 of original, cont'd)

- |    |                                       |   |   |
|----|---------------------------------------|---|---|
| c) | Department of Mercol plants           | Dir.Dr.RIEHL  | Hankel & Cie.,<br>Duesseldorf<br>Ammoniakwerk Merse-<br>C.m.b.H., Leuna |
|    |                                       | x)Chief of the<br>technical<br>subcommittee 32(p)                   |   |
| d) | " " Paraffine oxida-<br>tion plants   | x)Chief of the<br>technical<br>subcommittee 32(q)                   |   |
| e) | " " Oxy- and fatty-<br>alcohol plants | Dir.Dr.BERTSCH<br>x)Chief of the<br>technical<br>subcommittee 32(o) | Hankel & Cie.,<br>Duesseldorf   |

x) Chiefs of the technical subcommittees or technical committees, respectively, of the Economic Group Chemical Industry, who will simultaneously become active as specialists appointed by the Plenipotentiary General for Special Questions of Chemical Production.

(as of 1.4.1943)

12) Sphere of Acetylene Chemistry

- |    |  |   |  |
|----|--|---|--|
| a) | Department of Carbide industry<br>plants | Dir.Dr.WILDHAGEN<br>x)Chief of the<br>technical<br>committee 10 | Bayerische Stick-<br>stoffwerke, Berlin    |
| b) | " " Acetaldehyde and<br>solvents plants  | Dir.Dr.AMBROS<br>x)Chief of the<br>technical<br>committee 11    | I.G. Farbenindustrie<br>A.G., Ludwigshafen |
|    |  | Obering.KALB<br>x)Chief of the<br>technical<br>subcommittee 11a | Wacker-Burghausen                          |
|    |  | Dr. ROTH<br>x)Chief of the<br>technical<br>subcommittee 11b     | I.G. Farbenindustrie<br>A.G., Ludwigshafen |

(page 5 of original, cont'd)

|    |  |  |  |
|----|--|--|--|
|    |  | Dr.v.REITZE<br>x)Chief of the<br>technical<br>subcommittee 11c | Deutsche Gold- u.<br>Silberscheideanstalt,<br>Frankfurt/M. |
| c) | Department of Thermoplast pro-<br>duction and<br>processing plants | Dr.KOLLEK<br>x)Chief of the<br>technical<br>committee 24 f     | I.G. Farbenindustrie<br>A.G., Ludwigshafen                 |

(page 6 of original)

13) Sphere of Other Organic Chemistry

|    |   |   |  |
|----|---|---|--|
| a) | Department of Phenoplast pro-<br>duction plants                               | Dir.Dr.HESSEN<br>x)Chief of the<br>technical<br>subcommittee 24(c)              | August Nowack A.G.,<br>Bautzen                           |
| b) | " " Phenoplast pro-<br>cessing plants   | Dr. LUCAS   | AGG, Henningsdorf  |
| c) | " " Plants for the<br>Production of phe-x)<br>nol and analogous<br>substances | Dir.Dr.v.STADEN<br>x)Chief of the<br>technical<br>subcommittee 32(a)            | Ammoniakwerk Merseburg<br>GmbH., Leuna                   |
| d) | " " Formaldehyde<br>plants  | Dr.v.REITZE<br>x)Chief of the<br>technical<br>subcommittee 11(c)                | Deutsche Gold- u.Sil-<br>berscheideanstalt,<br>Frankfurt |
|    |   | Dr.FLUEGGE  | Deutsche Gold- u.Sil-<br>berscheideanstalt,<br>Frankfurt |
| e) | " " Leakage raw<br>materials<br>("Leckrohstoff")<br>plants                    | Dr.JORDAN<br>x)Chief of the<br>technical<br>subcommittee 24(d)                  | I.G. Farbenindustrie<br>A.G. Ludwigshafen                |
| f) | " " G.M.I. plants   | Dir.Dr.FUELLER-<br>CUNRADI  | I.G. Farbenindustrie<br>A.G., Ludwigshafen               |
| g) | " " Lead tetraethyl<br>plants   | Dir.Dr.FUELLER-<br>CUNRADI<br>x)Chief of the<br>technical<br>subcommittee 32(r) | I.G. Farbenindustrie<br>A.G., Ludwigshafen               |



(page 6 of original, cont'd)

- h) Department of Plants for plant  
protecting agents  
and insecticides x) Chief of the  
technical  
subcommittee 21(a)
- i) " " Synthetic and  
chromium tanning agents plants x) Dr. FELSCH I.G. Farbenindustrie  
A.G., Frankfurt/M.  
Chief of the  
technical  
subcommittee 17(c)
- j) " " Textile auxili-  
aries plants x) Chief of the  
technical  
subcommittee 17(e)
- k) " " Polyalcohol  
plants Dir. Dr. MUELLER- I.G. Farbenindustrie  
CUNRADI A.G., Ludwigshafen  
x) Chief of the  
technical  
subcommittee 11 (j)

14) Sphere of Yeast

- a) Department of Yeast plants x) Chief of the  
technical  
subcommittee 32 (i)

(page 7 of original)

15) Sphere of Pharmaceuticals

- a) Department of Pharmaceutical  
plants Dr. BOEHRINGER Boehringer & Sohn,  
x) Chief of the Ingelheim  
technical  
committee 14  
Prof. Dr. HOERLEIN I.G. Farbenindustrie  
A.G., Elberfeld

16) Sphere of Inorganic Chemistry

- a) Department of Various inorganic  
products plants Dir. Dr. MURSTER I.G. Farbenindustrie  
A.G., Ludwigshafen
- b) " " Water glass  
plants Dr. ROEHL Henkel & Cie.,  
x) Chief of the Duesseldorf  
technical  
subcommittee 33(j)

(page 7 of original, cont'd)

|    |  |   |   |
|----|--|---|---|
| c) | Department of Electrocarborundum plants  | x) SCHEIDTHAUF<br>Chief of the technical subcommittee 33 (c)    | Waecker-Burghausen                                |
| d) | " " Sodium metal plants                  | x) Dir.Dr.BAERWIND<br>Chief of the technical subcommittee 1 (f) | Deutsche Gold- u. Silberscheideanstalt, Frankfurt |
| e) | " " Sodium cyanide                       | x) Dir.Dr.BAERWIND<br>Chief of the technical committee 9 (a)    | Deutsche Gold- u. Silberscheideanstalt, Frankfurt |
| f) | " " Chromium compounds plants            | Dr.DILPHEY<br>Chief of the technical subcommittee 31 (g)        | I.G. Farbenindustrie A.G., Uerdingen              |
| g) | " " Phosphorus plants                    | x) Dr. LANG<br>Chief of the technical committee 5 (a)           | I.G. Farbenindustrie A.G., Bitterfeld             |
| h) | " " Sulphur plants                       | x) Dr.GUERTERT<br>Chief of the technical committee 2 (a)        | Ruhrgas A.G., Essen                               |
| i) | " " Carbon disulphide plants             | x) Dr. E.JACOB<br>Chief of the technical subcommittee 2 (c)     | Chem.Fabrik Kreuznach GmbH.                       |
| j) | " " Sulphuric acid and sulphur compounds | x) Dir.Dr.MURSTER<br>Chief of the technical committee 2 (b)     | I.G. Farbenindustrie A.G., Ludwigshafen           |

(page 8 of original)

|    |                    |   |                                  |
|----|--------------------|---|----------------------------------|
| k) | " " Dry ice plants | x) Dr.LINK<br>Chief of the technical subcommittee 8 (b) | I.G. Farbenindustrie A.G., Oppau |
|----|--------------------|---|----------------------------------|

TRANSLATION OF DOCUMENT No. NI-5934  
CONTINUED

(page 8 of original, cont'd)

|    |  |   |  |
|----|--|---|--|
| 1) | Department of Soda and caustic soda (caustic) plants       | Dir. VOGL<br>x) Chief of the technical subcommittee 1 (a)                     | Deutsche Solvay-Werke, Berlin  |
| m) | " " Sodium chloride and caustic soda (electrolytic) plants | H. BUERGIN<br>x) Chief of the technical committee 1 (d)<br><br>Dr. VORLAENDER | I.G. Farbenindustrie A.G., Bitterfeld<br><br>I.G. Farbenindustrie A.G., Bitterfeld |

x) Chiefs of the technical subcommittees or technical committees, respectively, of the Economic Group Chemical Industry, who will simultaneously become active as specialists appointed by the Plenipotentiary General for Special Questions of Chemical Production.

-.-.-.-.-

CERTIFICATE OF TRANSLATION

10 June 1947

I, Herbert RODECK, B 397944, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of the document No. NI-5934.

Herbert RODECK  
B 397944

- 10 -  
"END"

28



Plenipotentiary for the Four Year Plan.  
The Plenipotentiary General  
for special questions concerning the  
production of Chemicals.

Berlin W 8, 9 August 1943  
Scharlndstrasse 123  
Telephone: 120046  
Teleprinter: K 1-113  
Telegrams: Gebochen

Stamp:

REAG WORKS EDITION -WALD  
In: 16. August 1943 a.m.  
answered . . . . .  
Two illegible initials.

Reference: Employment of Labor B/ri.  
Journal No. Circular No. 67/43  
Subject:

Re: Measures for bringing back to work those French workers who  
have been recruited by individual enlistment and have broken  
their contracts.

To: Factories and Construction Managements within the plan for  
chemical production,  
for the attention of the Betriebsführer or his deputy.

As from 1. August 1943, my office - Liaison Office of the  
GEBChem in Paris, department Dr. Tittus, Field Post No. 66661 XI  
VII- has been put in charge of all cases of breach of contract  
by French workers recruited by individual enlistment.

The department of Dr. Tittus will search for workers who have  
broken their contracts and eventually bring them back to their  
place of work if there are really no cogent reasons for doing  
otherwise. The department will act in connection and cooperation  
with the Military Commander-in-Chief and the officials under his  
orders.

To make this measure effective it is necessary:

- 1) to report every breach of a labor contract occurring after  
the 1. August 1943 immediately after its detection in order  
not to lose time.
- 2) to use a specimen form similar to the specimen attached for  
each report.
- 3) to dispatch at the same time to my department "Employment  
of Labor" a short memorandum giving the total figure of all the  
reports sent to Paris; the District Plenipotentiary (Gebiets-  
beauftragte) should be informed by a copy of the memorandum.
- 4) where the local Labor Exchange, the Gestapo or any other  
authority has previously been informed of cases of escape from  
work, this procedure may be followed up; but in such cases a  
note should be added stating that a report has been made directly  
to Paris.

The factories and construction managements will be informed  
directly by the Paris department of the result of the searches.

( page 1 of original, cont'd )

Will you please see that reports on workers who break their contract are sent to Paris in the prescribed manner, as quickly as possible, so that the search, which is always a difficult matter, should not be made still more difficult by delayed reports. In the same way, if a French worker should return in the meantime to his place of work, this should be reported to Paris in order to stop further investigations.

Enclosure

By order

stencilled signature  
illegible

Ms.: Mr. Schroeder  
Miss Dade  
Please note if necessary

( page 2 of original )

Reich Office for Economic Development

Berlin W 9,  
Saarlandstrasse 128  
Telephone: 1200/3

Journal No.

Form/Enclosure to circular Employment  
of Labor  
No. 67/43 of 9 August 1943.

Subject:

(date)

Reference:

Works

To

Department Dr. Tittus

F.N. No. 6661-MI VII

Reference: Branch of Labor Contract

- Report.

..... ( Full name ) ..... nationality .....  
born ..... in ..... profession .....  
of ..... street ..... No. ....  
district ..... last billeted in camp .....  
..... left his place of work without permission  
on the ..... and has not returned for work ..... has not  
returned from his furlough which ended on the .....  
.....  
.....

Presumably the above mentioned is staying in his home district.  
Please start a search for the absentee from work, and if caught,  
escort him back to his place of work or take the necessary steps  
for his return transport.

Remarks .....  
.....

Please notify us of the result of your endeavours.

-----  
Signature

Only to be used for French workers enlisted by individual recruitment,  
not by draft en bloc.

TRANSLATION OF DOCUMENT No. NI-1336  
CONTINUED

CERTIFICATE OF TRANSLATION

11 June 1947

I, Victoria GUTON, No. 20 129, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of the document No. NI-1336.

Victoria GUTON  
No. 20 129



TRANSLATION OF DOCUMENT No. NI-7569  
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES

Office of U.S. Chief of Counsel  
Certification of Source of Original Document

I, Paul H. Gantt, War Department, do hereby certify that the document numbered WC/233 and dated 13 January 1944, was taken from the files located in the German Military Document Section, War Department.

17 June 1947  
(Date)

Paul H. Gantt  
(Name)

(page 2 of original)

Distribution list:

1. Addressee
2. Professor Krauch 13 January 1944
3. Dr. Ritter
4. Oberstleutnant Kirschner
5. Labor allocation office
6. Dr. Adolf Mueller

CK/G

1364/43

Your letter dated 22 December 43

Your reference: RoM (Raw Materials Office) 00/22.12./

Allocation of Labor.

To the Head of  
the Raw Materials Office in the  
Reich Ministry for Munitions and  
War Production  
President Kehrl  
Berlin-Wannsee  
Am Sandwerder 23.

Dear President Kehrl,

In your letter dated 22 December 1943 you pointed out the importance of close cooperation between your office and mine with particular reference to the allocation of labor. Of course I fully agree with your point of view. It is most interesting to find that your officials are giving strong support at the Planning Office to my applications for manpower for the execution of tasks formulated in close agreement with your Planning Office. The aims of your Raw Materials Office are identical with the endeavours of my office: to ensure that the chemical factories under my supervision attain the highest possible level of production and that factories in course of construction are completed and equipped as soon as possible.

Only my office, however, is in a position to deal with the distribution of labor allocated for the various sectors under my supervision, or with the allocation to individual works of manpower demands made by the Wehrmacht, because this requires detailed information about the plan as a whole and the position in individual factories.

TRANSLATION OF DOCUMENT No. NI-7569  
CONTINUED

(page 2 of original cont'd)

I was not aware of any misunderstandings or even mistakes which are supposed to have occurred in the course of negotiations conducted in the past direct between my office and the Armaments Office; should matters of any importance be involved I should be obliged if you could let me have further details.

May I be allowed to point out, however, that the efforts of my office in such matters as the procurement of foreign labor within the restrictions set on the initiative of the individual employer by the Plenipotentiary General for the Provision of Manpower, and the employment of certain classes of manpower (prisoners of war, inmates of concentration camps, prisoners, units of the Military Pioneer Corps, etc.), have had an effect upon the speed of progress of chemical production, and upon that production itself, which must not be underestimated. I consider that the initiative displayed by my staff in the procurement of labor, a virtue which has proved its worth in the past, must not be repressed in the future.

Heil Hitler!

Distribution of copies:

signed: Dr. Krauch

ORR Pukall

T

T1

T3

T5

CERTIFICATE OF TRANSLATION

21 August 1947

I, ARTHUR MACNAMARA, Civ.No.20191, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of the document No. NI-7569.

ARTHUR MACNAMARA, Civ.No.20191.

TRANSLATION OF DOCUMENT No. NI-7574  
OFFICE OF CHIEF OF COUNSEL FOR THE CRIMES

Ri/Re.

13 February 1944

MEMORANDUM

SUBJECT: Discussion, General Weeger concerning labor  
allocations at the Plenipotentiary General Chemistry.

-----

The Central Planning has established clearly the further procedure in carrying out the chemical production plan, which has been adequately supplied with iron allocations, in order to ensure the carrying-through as far as the manufacture of machinery and apparatuses is concerned.

During a discussion which took place on 8 February 1944 between the Reich Minister SPEER and Professor KRAUCH, the Minister promised that labor will also be made available to an adequate extent for the fulfilling of the important raw material programs:

- a) labor for assembling and construction at the building sites
- b) plant workers for the completed works.

According to the experiences of recent days it is necessary to settle the following points:

1. To give more consideration to chemical raw materials in the priority list.

Negotiations with  
Kalk - Schiefer,  
etc. ?

Since in future individual allocations will be made locally on the basis of the priority list, this list has come to be of increased importance. Hitherto inadequate consideration is given to the chemical raw material basis in the Decree No. 101/44 Secret, dated 17 January 1944. This must be amended at the earliest possible moment in accordance with the application of the Plenipotentiary General Chemistry (Göbbel) dated 17 January 1944.

The Argument Office is requested - as was always done successfully formerly - to let the Plenipotentiary General Chemistry participate in the preparation of fundamental decrees.

(page 1 of original cont'd)

2. The present disastrous situation as regards building, assembling and operating should be eased by immediate allotments.

The great shortage of supplies existing at Gobechem at the present time, and which has taken on alarming proportions, must be covered by some kind of special measure, at least to some extent.

|         |   |                 |
|---------|---|-----------------|
|         | Demand for skilled and unskilled building workers | approx. 21,600* |
|         | Demand for skilled and unskilled metal workers    |                 |
|         | for assembling requirements                       | approx. 13,000  |
| Compare | Demand for plant operators                        | " 14,400        |
| Encl. 1 | Skilled metal workers for operating plants.       | " 3,600         |

(handwritten) \*) acknowledged and checked by Main Committee Div.

(page 2 of original)

(handwritten marginal notes)  
? writes to Building Office

3. No withdrawals from building and plants without Gobechem's consent.

Withdrawals from building projects and plants of the chemical production plan must be made in conjunction or in agreement with Gobechem.

4. Unhindered transfer of labor within the Gobechem field.

(handwritten marginal notes)  
Satisfactory regulation of the former decree

In order to level up the production program and to form focal points in building and assembling, Gobechem, of its own responsibility, should be in a position to transfer its labor without having the carrying-through of the projects delayed at intermediate levels.

5. Building workers to be earmarked by the Building Office for assignment to Gobechem.

(handwritten marginal note)  
Letter for Building Office

Since the allocation of building workers through the Building Office has been denied, the Building Office should, in the same way as is being done for constructional iron, allocate to Gobechem an earmarked quota.



(page 2 of original cont'd)

6. Immediate action for powder, explosives and preliminary products building projects by releasing labor from the Wehrmacht (inter alia from technical battalions, persons classified as AV and DU (AV-fit for labor duty only, DU-unfit for military service) who are to be discharged.)

(handwritten marginal note)

Discuss with Wehrmacht.

Allotments of labor are to be made immediately for the completion of powder, explosives and, in particular, preliminary products plants. (11,000 men, of which 5,000 metal workers are included in 2.)

7. Exemption of Gebochem from "Kalenderaktion".

(handwritten note)

Disapproved by Haeger

The envisaged exemption of Gebochem from the "Kalenderaktion" is absolutely necessary, because only this will ensure the starting up of the new factories as requested.

8. Foreign labor recruited for Gebochem must not be assigned for any other purposes.

(handwritten marginal note)

? and? have promised st.

The labor recruited by Gebochem abroad is earmarked for work in the chemical field. It must not be assigned anywhere else by any other offices.

Encl. II

Draft of a decree of the  
To Armament Office to its agencies.

TRANSLATION OF DOCUMENT No. NI-7574  
CONTINUED

(page 3 of original)

Labor Allocation - Ldn/Gs -

(handwritten) Enclosure I  
10 February 1944

Manpower Requirements in the

Gebechem-Plan

1. Construction and /assembling/ (approximately 250 building sites)

|   | Total  | proportion of skilled<br>and unskilled con-<br>struction workers | skilled and un-<br>skilled metal<br>workers |
|---|--------|--|---|
|   | 34,600 | 21,600   | 13,000                                      |
| fairly large<br>building sites                                      |        |  |   |
| 17 mineral oil  | 12,700 | 7,100  | 5,600                                       |
| 12 chemistry  | 3,700  | 2,300  | 1,400                                       |
| 10 light metal  | 4,400  | 3,900  | 500   |
| 14 PSVCT  | 5,400  | 2,500  | 2,900                                       |
| * 43 fairly large<br>building pro-<br>jects on 33<br>building sites | 26,200 | 15,800   | 10,400                                      |
| * 3 large-<br>scale projects<br>in Upper<br>Silesia                 | 10,000 | 4,800  | 5,200                                       |

2.) Plants (approximately 150 firms)

|   | Total          | of which skilled<br>metal workers |
|---|----------------|-----------------------------------|
|   | approx. 18,000 | 3,650                             |
| fairly large<br>plants                          |                |                                   |
| 18 mineral oil                                  | 8,000          | 1,050                             |
| 9 chemistry                                     | 4,100          | 1,350                             |
| 5 (PS)VCT                                       | 750            | 150                               |
|   | 12,850         | 2,550                             |
| 32 fairly large<br>plants in 25<br>major plants |                |                                   |

(page 4 of original)

(handwritten) Enclosure II

Labor Allocation - Ldn/Gs

10 February 1944

Proposed Contents of an Instruction  
to the Armament Offices and of a  
letter to the GB (General Plenipotentiary for the Employment  
of Labor)

1.) To Rue (Armament) Offices:

a. Gebachem draws my attention to the fact that the production programs of which he has been put in charge as central authority require a constant flow of labor in order to cope with threatening losses in production. Thus it is extremely important that the transfer of labor, initiated by him, should be effected as fast as possible and without being hampered by regional interests. The same applies to building and assembling projects still to be completed which are of particular importance to this program.

I therefore request you to give your active support to and speed up the transfers initiated by Gebachem or his commissioned representative. From these withdrawals, which have been ordered to eliminate bottle necks on high priority jobs, it must not be inferred that the works release in the area, were able to release the labor without difficulty. On the contrary, unavoidable gaps have arisen at the moment which have to be filled again.

b. In order to cover the requirements of the Gebachem plan, among other things, recruiting campaigns in the occupied territories have been initiated with cooperation of representatives of the individual industrial concerns applying for labor under the Gebachem-plan, to support the general measures taken for the procurement of labor. These foreign workers, who were recruited by the applicants for labour at considerable trouble and cost, are earmarked and their papers have been classified accordingly. They must therefore not be assigned to any other projects, unless they are used outside of their trade, in sudden emergencies for instance (floods, etc.).

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TRANSLATION OF DOCUMENT No. NI-7574  
CONTINUED  
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(page 5 of original)

c. Withdrawal of labor from the Gebechem Plan :

In this connection, I refer to the decrees of 23 December 1943  
- Rue I. Arb. I/1 No. 120 "par. 3" - and the one dated 17 January  
1944

- Rue I. Arb. I. K. No. 101/44 Secret, "par. 4" -,  
according to which Gebechem is to be placed on the same level  
as the Main Committees (Hauptausschüsse) and Main Rings  
(Hauptringe). Withdrawals for other spheres of work therefore  
require the consent of the Gebechem.

2.) To the GEA.

Enclosed herewith I am sending a copy of an instruction issued  
to the Rue Offices (Ornament Offices) with the request to  
inform the Gau Arbeitscenter (Gau Labor Offices) and Labor  
Offices accordingly.

-----  
CERTIFICATE OF TRANSLATION  
-----

5 September 1947

I, Victoria ORTON, AGC No. 20 129, hereby certify that I  
am a duly appointed translator for the English and German  
languages and that the above is a true and correct translation  
of the document No. NI-7574.

.....  
Victoria ORTON  
AGC No. 20 129



TRANSLATION OF DOCUMENT No. NI-1572  
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES

Office of U.S. Chief of Counsel  
Certification of Source of Original Document

I, Paul H. Gantt, War Department, do hereby certify that the document numbered WC/240 and dated 12 May 1944 was taken from the files of the F Wt Amt located in the German Military Document Section, War Department.

17 June 1947  
(Date)

Paul H. Gantt  
(Name)

(page 2 of original)

12 May 1944

Distribution List:

1. ~~Dr. Schieber~~
2. ~~Major Stolz/Hauptmann Fritsch~~
3. ~~Major Kehl~~
4. Professor Dr. Keruch/Dr. Ritter
5. Dr. Adolf Mueller
6. Dr. Dickmann
7. Diplom Ingenieur Goenau
8. 1 copy to be circulated to Mineral (mineral oil)/chem (chemistry)/ Light metals/ gunpowder and explosives production (PSV - Pulver & Sprengstoffverarbeitung?).

I Dr. R/G,  
3822/44 secret  
Withdrawal of 14,000 builders from the  
Chemical Production Plan  
including gunpowder and explosives manufacture (Pulver und Sprengstoff  
Verarbeitung?) program.

Reich Minister Speer  
Reich Ministry for munitions and war  
production  
Berlin W. 1.  
to be transmitted by dispatch rider

Dear Reich Minister,

Discussions are in progress at the moment with the Planning Office and the Raw Materials Office on the suggestions for withdrawals. The result so far is as follows:

1. Staatsrat Dr. Schieber has agreed to withdraw from Gunpowder and Explosives Production building sites .....2000 men. It will presumably be possible to avoid serious consequences if Herr Dorsch undertakes to return the men as soon as possible and to rush work if necessary in order to catch up with schedules. Generally speaking this holds true for other transfers also.
2. It was suggested to withdraw .....6200 men of the approximately 14000 at Baltoel/Esthonia. This is the best method of allowing for the principle that in the field of mineral oil production only the fuel oil or lubricating oil industries, which will not start production until 1945 should be affected by transfers and that withdrawals should be made from large building projects. Deficiencies

TRANSLATION OF DOCUMENT No. NI-7572  
CONTINUED

in Estonia will amount to approx. 75000 tons of fuel oil in 1945. This makes it possible to avoid transfers from German mineral oil projects, which would be a grave mistake in view of damage in Rumania.

3. In spite of protests the following numbers have during the last few days been withdrawn by the staff of the Fichter program from various building sites:

|                                 |                        |
|---------------------------------|------------------------|
| Carbide chemistry Fuerstenberg  | 80                     |
| Pharmaceuticals store Parchwitz | 30                     |
| Pettau alumina                  | 650                    |
| Workers' dwellings Bruex        | 730                    |
| Gasoline Gelsenberg             | 80                     |
| Viktor Nitrogen                 | 25                     |
| Hauls                           | 7; total approx. 1600. |

The deduction of these 1600 men from the total number of men to be withdrawn is quite legitimate. Should there be difficulties about this, 1300 men still employed at Tyin in Norway could be offered for withdrawal.

Carried over from page 2:

9800

(page 3 of original)

Withdrawals effected at Pettau will put them 6 months behind schedule, i.e. there will be a deficiency of approx. 10000 tons of aluminum in 1945, total prospective production capacity being 25000 tons per month approx.

4. A list of ..... 4200 men to be transferred immediately in accordance with promises made to Herr Dorsch by President Kehrl was completed yesterday. Among these 4200 men are 1700 inmates of Auschwitz concentration camp. This withdrawal can only be described as extremely serious. Work on building sites will on an average be about 6 months behind schedule. The deficiency in Buna production amounting to 7500 tons in 1944 and another 7500 tons in 1945 may be considered the most far-reaching of the consequences of the transfer. 14000 men.

To sum up:

The building sites of the Chemical Production Plan including gun powder and explosives production (PSV - Pulver- und Sprengstoff-Verarbeitung?) today comprise ..... 105.000 builders.

Approximately 15.000 additional men would be required for the sites even at this early date if schedules are to be observed and targets set by the Central Planning Office are to be attained.

A few days ago I received from the Reich Marshall an enquiry as to methods of effecting considerable improvements in air raid protection at 14 of the most important fuel plants and 4 Buna factories. This would mean a building program requiring an additional 20.000 - 25.000 men for one year.

This is the situation in which the demands for workers under the Fichter project find us.

TRANSLATION OF DOCUMENT No. NI-7572  
CONTINUED

(page 3 of original, cont'd)

Will you please do your best to have the 1700 inmates of the concentration camp struck off the list of men to be transferred in view of the effects of such a step on Auschwitz.

I submit that the permission of the Fuehrer may be necessary for the execution of the transfers from Estonia (which present the least harmful solution from the point of view of the mineral oil industry): he turned down the abandoning of building sites in Estonia on principle some time ago, but he might well give permission for the partial withdrawals contemplated.

Any arbitrary withdrawals from the building projects of the Chemical Production Plan over and above those now authorized must be prohibited. Orders to that effect should be issued by Herr Dorsch to the branches of the construction office and to the staff of the Fighter Program.

In accordance with the first general discussion on 5 May between Herr Dorsch and myself, he should undertake to return the men as soon as possible, and to see to it that lost time is made up.

In view of the fact that they are indispensable to the Fighter program, a list of all aviation spirit - and fuel plants will be submitted to the Fighter staff for the purpose of attaining a higher rate of progress in construction work than is possible at the moment.

Heil Hitler!

Yours faithfully

CERTIFICATE OF TRANSLATION

21 August 1947

I, ARTHUR WACHAMARA, Civ. No. 20191, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of the document No. NI-7572.

2

ARTHUR WACHAMARA, Civ. No. 20191.

-3-  
"END"

MS.: Kraml

Office of U.S. Chief of Counsel  
Certification of Source of Original Document

I, Paul H. Gantt, War Department, do hereby certify that the document numbered WC/239 and dated 15 May 1944 was taken from the files of the FME Amt located in the German Military Document Section, War Department.

17 June 1947  
(Date)

Paul H. Gantt  
(Name)

(page 2 of original)

Secret!

Berlin, 15 May 1944

Negotiations in connection with withdrawal of builders from the Chemical Production Plan for the Fighter Program.

(page 3 of original)

Excerpt from: Repair of air raid damage at hydrogenation plants.

Meeting, Leuna 16 May 1944.

With regard to repairs of damage the following was agreed upon by:

Reich Minister Speer  
President Kehrl      Planning Office  
Ministerialdirector Dorsch - Construction Office  
Dr. Fischer - -      Raw Materials Office, Department Mineral Oil  
Dr. Fischer - - Reich Coördinator of tasks (Reichslastver-  
teiler)  
Prof. Dr. Krauch - Plenipotentiary General for Chemistry.

3. As regards the question whether in the circumstances any builders' men should be released for the Fighter program by the Plenipotentiary General, it was decided to carry out releases as planned. According to this, 4 200 men were to be released from chemical and light metal industries (including 1700 concentration camp inmates from Auschwitz), 2000 men from the Gunpowder and Explosives industry (FSV - Pulver- und Sprengstoffverarbeitung?), and 6200 men from Estonia. 1600 men had recently been transferred to the Fighter program from various building sites. The question whether the 1700 concentration camp inmates from Auschwitz should be struck off the list of men to be transferred is to be decided in consultation with the Fuehrer's Headquarters. The 100 men from Schkopau, put forward for transfer, are to be transferred, if at all possible, to the adjacent Leuna works.

(Decision to be communicated by Dorsch to Ritter and Plenipotentiary General for Chemistry).



(page 3 of original cont'd)

The effects of the transfer of 6200 men of the Baltoel from Bethlemin are to be investigated in the near future. Extent and date of transfer is to depend on result of investigation. Basic decision on the whole problem of transfers to be requested from Fuehrer's Headquarters.

(Investigation of effects of Baltoel transfers together with: Sennowald, Plenipotentiary General for Chemistry; report to Planning Office; decision: Planning Office and Dorsch).

4. Any transfers from building sites of the Production Plan for the Chemical Industry apart from those specified in the final list must be prohibited. Herr Dorsch is to issue orders accordingly to the branch offices of the Construction Office; corresponding orders to be given to the Fighter Staff.

(To be discussed by Schoenleben and Gienius).

(page 4 of original)

(Place and date partly illegible) May 1941

General prerequisites for the restoration of damaged hydrogenation plants

- 1.) Decision whether any transfers from Plenipotentiary General for Chemistry to Fighter program should be effected in the circumstances whether it would not be better to make the necessary changes in order to repair damage and strengthen air raid precaution teams within the department of the Plenipotentiary General for Chemistry.

Transfer of 1700 concentration camp inmates from Auschwitz to be deferred on account of Speer/Krauch enquiry; 100 men from Schkopau because of proximity to Launa.

- 2.) Answer to the question: how to obtain machine assembly men? Brabag-Zeitz and Bocklen, for example, had already asked for approx. 450 trained metal workers each. Use of pioneer units would also indicate. Total strength of emergency squads of the Plenipotentiary General for Chemistry in all hydrogenation plants was no more than 350 men, including 200 men from Launa, who could not be touched.
- 3.) Did not the break-down of the hydrogenation plants call for similarly drastic measures as had been taken in the case of ball-bearing production among others? (Operation Schweinfurt or Kassel.)
- 4.) Instruction should be issued to the Plenipotentiaries for Building to raise the ban on building in cases of air raid damage and to supplement air raid precaution measures. Abolition of questionnaires and seniority numbers (Rangfolgennummern). There must be no delay in construction work.
- 5.) Inclusion of the repair - and air raid precaution schemes in the Fighter program scale of priorities is to be investigated.
- a) With regard to the provision of builders it was suggested immediately to release 20,000 men (builders) in Italy on OT (Organisation Todt) terms - employment in Reich - for recruitment by the Plenipotentiary General for Chemistry;
- b) that 10,000 Italian members of the Wehrmacht in Italy be detailed immediately for work in the German armaments industry;

TRANSLATION OF DOCUMENT No. NI-7571  
CONTINUED

(page 4 of original cont'd)

- c) that executive powers in Italy be strengthened ~~immediately~~  
by the incorporation in Italian police units of 10,000 German  
police officials in order to ensure that the present recruiting  
campaign in Italy should bear fruit.
- 

CERTIFICATE OF TRANSLATION

20 August 1947

I, ARTHUR MACMURRA, Civ.No.20191, hereby certify that I am thoroughly  
conversant with the English and German languages and that the above  
is a true and correct translation of the document No. NI-7571.

ARTHUR MACMURRA, Civ.No.20191.

- 3 -  
"END"

46.

STATEMENT UNDER OATH:

I, KARL KRAUCH, Born on 7 April 1887, residing at Heidelberg Im Lindenried 23, herewith state under oath the following facts of which I have personal knowledge:

1. I was a member of the N.S.D.A.P. since 1937, Chairman of the Supervisory Board of I.G. Farbenindustrie from 1940 until April 1945, and Plenipotentiary for Special Problems of the Chemical Production (Generalbevollmaechtigter fuer Sonderfragen der Chemischen Erzeugung) within the frame of the Four-Year-Plan from July 1938 until April 1945.

2. In my official capacity as Plenipotentiary (Generalbevollmaechtigter fuer Sonderfragen der Chemischen Erzeugung) (G.B. Chemie) I was the highest authority in passing judgment regarding the allocation of labor for the individual plants of the Chemical industry. This labor included, in addition to German workers, foreign workers, prisoners of war and inmates of concentration camps. The Reich Labor Ministry would send me the labor requisitions of the individual plants for final decision. I had the authority to either accept the full number requested or to decrease it if a check revealed that the requested number was too high. It was my responsibility to allocate the correct amount of labor necessary to accomplish whatever production program was involved. The Reich Labor Ministry kept me posted on the available number of workers. Frequently I would be informed that, for example, so and so many thousands were to arrive from Belgium or from Russia, and that these were available to the Chemical industry. The total number of workers employed in the Chemical industry amounted to approximately 400,000.

3. I am the originator of the "Karinhall Plan", erroneously known as the "Krauch Plan"; the purpose, among others, of this plan was to bring foreign workers into Germany on a voluntary basis. I also made the suggestion to General THOMAS through Herr KIRSCHNER that Russian prisoners of war

(Page 2 of original)

be brought into Germany in order to employ them in the armament industry. This occurred in the year 1941 when hundreds of thousands of Russian prisoners of war were living in Poland and Russia under terrible conditions.

4. I was aware of the fact that from the year 1942 on, workers were recruited in occupied countries on an involuntary basis. The Plenipotentiary (Generalbevollmaechtigter fuer Sonderfragen der Chemischen Erzeugung) had permanent representatives in Paris, Brussels, the Hague, Amsterdam, Milan, Yugoslavia, Greece and Bratislava whose primary function was the recruitment of labor for Germany on a voluntary basis. After the German labor allocation authorities (Arbeitseinsatzbehoerden) recruited French workers involuntarily, the local representatives of the Plenipotentiary (Generalbevollmaechtigter fuer Sonderfragen der Chemischen Erzeugung) together with the plants, made train escorts available.

5. The transfer of labor to Germany as a part of the Francolor arrangement came under my jurisdiction as Plenipotentiary (G.B. Chemie, Generalbevollmaechtigter fuer Sonderfragen der Chemischen Erzeugung). I am aware of at least one case in which transports of workers brought in under the plan for recruiting foreign workers were in transit for weeks. The workers were hungry, tired, freezing, and without sufficient clothing.



6. It was my intention to use prisoners of war for construction rather than production work. I saw prisoners of war at work in Haydebreck and Gendorf. My office was informed that prisoners of war were taken from Chemical plants and used to work on fortifications. In at least one instance I negotiated directly with the armed forces (Wehrmacht) in regard to prisoners of war whose working conditions I wanted to improve.

7. I was present at the meeting of the 43rd Conference of Central Planning (Zentrale Planung) on 2 July 1943 at which, according to the minutes, the following matter was decided: That additional labor would be made available to Buna Auschwitz.

(Page 3 of original)

8. In the year 1943 ~~ROSEFISCH~~ informed me that it was planned to use concentration camp inmates in the labor force of Buna, Auschwitz. I was in Auschwitz in 1943, and I recognized the concentration camp laborers by their striped clothes and identification markings. I knew of the existence of crematoriums at the Auschwitz concentration camp. In reply to my questions I was told that they were used for the cremation of inmates who had died in the course of epidemics in the camp.

9. ~~ROSEFISCH~~, MUELLER, ECKARDT and LOEHR were my representatives in the offices of the Plenipotentiary (Generalbevollmaechtigter fuer Sonderfragen der Chemischen Erzeugung) in Paris, Belgium, Milan and Yugoslavia respectively. They traveled frequently to examine labor conditions. They belonged to I.G. and their salaries were paid by I.G.

10. The welfare of the foreign workers employed by I.G. Farben was part of the responsibility of the Board of Directors (Vorstand). Christian SCHNEIDER had the primary responsibility as Chairman of the Social Welfare Commission (Sozialausschuss). I discussed labor conditions with Christian SCHNEIDER. Whenever the foreign workers in individual I.G. plants were underfed, their efficiency was impaired. I visited plants throughout the entire Chemical industry, and one of the first steps was always an inspection of the foreign workers' quarters to ascertain their living conditions.

11. I had the natural feeling that the use of foreign workers by force was not lawful. The detailed legal international agreements were not known to me to this extent.

I have read the above statement consisting of three pages in the German language and declare that it is the full truth according to the best of my knowledge and belief. I had the opportunity to make changes and corrections in the above statement. I have made this statement voluntarily without any promise of reward, and I was not subjected to any compulsion or threat.

(Signed) KARL KRAUCH

Huernberg  
22 January 1947.

Before me, ARTHUR T. COOPER, U. S. Civilian, AGO Identification No. D 434534, Interrogator, Evidence Division, Office of Chief of Counsel for War Crimes, appeared Karl KRAUCH, to me known, who in my presence signed the foregoing statement (Eidesstattliche Erklaerung), consisting of 3 (three) pages in the German language and swore that the same was true, on the 23rd day of January 1947.

(Signed) ARTHUR T. COOPER



TRANSLATION OF DOCUMENT NO. NI-2972  
Cont'd

I, ARTHUR T. COOPER, U. S. Civilian, AGO Identification No. D 434534, hereby certify that I am thoroughly conversant with the English and German languages; and that the above is a true and correct translation of Document No. NI-2972.

ARTHUR T. COOPER  
U. S. Civilian  
AGO No. D 434534

E N D

Interrogation

of Albert SPEER by Mr. CHAMBERS  
on 12 March 1947, from 10.00 to 12.30 hours.  
Recorder: Rudolf Rühl.

- Q. Are you willing to testify under oath, Herr SPEER?
- A. Yes.
- Q. I remind you therefore of the oath you have taken previously.
- A. Yes.
- Q. Herr SPEER, on 29 May 1945 you were interrogated by an English-American team. In fact, it was the fourth session of a series of interrogations. Can you still remember it?
- A. There were at the time so many discussions, that I could only recall the subject matter if you would give me some pointers.
- Q. In this interrogation on 29 May 1945, which lasted from 15.00 to 17.30 hours, you were questioned quite in detail about the "Reichsamt fuer Wirtschaftsausbau" (Reich Office for Economic Expansion), Professor ZIEGLER, the Economic Group Chemistry, the Office for New Materials, about certain problems of production, the Planning Office, and other technical questions. With this information, can you now approximately recall the interrogation under discussion?
- A. I do not remember the details any more, but I know that such an interrogation has taken place.
- Q. You stated in that interrogation that the Reich Office for Economic Expansion was founded for the purpose of managing the expansion of the production potentials of

(Page 2 of original)

- chemicals, especially of "strategic products", of synthetic oils and rubber, nitrogen and other products. — The financing of these expansion projects was carried out by the government through the Reich Office for Economic Expansion, which, as you have stated, was a "I.G. promoted to government status", and that this Reich Office for Economic Expansion was almost exclusively staffed with I.G. personnel. Could you confirm this statement, and could you now explain it once more?
- A. As a matter of principle, I would like to remark concerning this statement that it was established at that time that it would not be used in the trial. I take it for granted that this evidence also is not to be used in court.
- Q. No, I cannot promise you that this time.

( page 2 of original cont'd.)

1. The English-American officers were not yet acquainted with the whole subject matter, and they wanted, therefore, basic information and got the first of it at these discussions. As far as I remember, no verbatim record was kept, but a report was written subsequently from memory and was not submitted to me, and thus I think it best now to formulate my former testimony anew.
2. Would you, therefore, once more formulate the questions which you has discussed at that time, please?
1. I am not quite clear as to where the lines were drawn between the tasks of the "Reich Office for Economic Expansion" in the Reich Ministry of Economics and those of the "General Plenipotentiary for the Special Tasks in Chemical Production" in the Four Year's Plan. In my opinion, they both carried out the same

( page 3 of original)

- tasks, namely the expansion of all chemical raw materials which are essential for waging war. From a legal point of view, I do not know whether the Reich Office for Economic Expansion financed these projects. "However, I had that impression during my term of office as Minister.
- A large number of the employees working for the Plenipotentiary for Chemistry and the Reich Office for Economic Expansion were in constant contact with my employees and were, as far I know, employees who were supplied by I.G.-Farben. I don't know whether or not they left the employment of I.G.-Farben. Similarly, I cannot clearly distinguish between the employees of the Plenipotentiary for Chemistry and those of the Reich Office for Economic Expansion, since in conferences an accurate differentiation (Handwritten: Changed; signature: SPEER) was neither possible nor necessary. Therefore, I cannot say for sure whether all the personnel of the Reich Office for Economic Expansion came from the I.G.-Farben.
2. Surely you mean "Exclusively"?
  1. ...consisted exclusively. Or whether in this case a large percentage of the employees of the Ministry of Economics occupied leading positions.
  2. Could you not tell me in what sense and for what purpose you have used the expression that this Reich Office for Economic Expansion is "a nationalized I.G.-Farben"?
  1. Since the I.G.-Farben had the monopoly for the expansion of production of these raw materials, and the Office for Economic Expansion had the same task, I chose the expression that the Office for Economic Expansion had been a sort of "nationalized I.G.", in comparison with the "Self-responsibility of Industry" which was led by me. However, I am not quite clear as to what extent the principles of the Office for Economic Expansion coincided with those of the "Self-responsibility of Industry."

(page 4 of original)

- Q. In addition you then stated at the same interrogation that KF UCH was appointed Plenipotentiary for Special Questions of Chemical Production in the Four Year's Plan, at about the same time, and with almost the same functions as those of the Reich Office for Economic Expansion, and that it was planned to invest KF UCH with the additional powers incumbent on a Plenipotentiary of the Four Year's Plan. Taken as a whole, this office, namely that of the Plenipotentiary, was identical with the Reich Office for Economic Expansion. You added that you could not describe exactly how these powers and functions were officially allocated. Since we discussed these matters pretty thoroughly in our interrogations in September, and you have seen most of the documents, I presume that you can now tell us more in detail about these things and make additions to what I have told you previously.
- A. During the interrogations in September 1946 I also received no accurate information as to definite spheres of functions of the Reich Office for Economic Expansion and the Plenipotentiary for Special Questions of Chemical Production. I did not see any documents at that time. What I stated in the interrogation of 29 May 1945 was the general impression which I had gained as Minister for Armaments and War Production, without having any knowledge of the legal aspects.
- Q. Do you wish to say that you got these impressions without knowing the legal aspects?
- A. Without being quite clear as to the details of the legal aspects of competency.
- Q. What was the relation between you, first as Minister for Armaments and Ammunition, and later as Minister for Armaments and War Production.



(page 5 of original)

and KRAUCH in his capacity as Director of the Reich Office for Economic Expansion, and also as Plenipotentiary for Special Questions of Chemical Production? Perhaps you will be able to recall that you once used the expression that KRAUCH was, so to say, "Reichsunmittelbar" (immediately subordinate to the authority of the Reich), and that he also remained thus after September/October 1943?

- A. It was obvious that before September 1943, as Reich Minister for Armament and Ammunitions, I had in both places no power or command.
- C. Is far as you know, who could give orders at that time to the Reich Office for Economic Expansion or to the Plenipotentiary for Special Questions of Chemical Production?

- A. At that time GOERING attached great importance to the fact that he was the only one who had the right to give orders to KRAUCH. In this connection, however, the following should be considered:

As is well-known, in the spring of 1942 the Armaments Office of the High Command of the Armed Forces was incorporated into my Ministry.

(Handwritten: Corrected; Signature: SPETER). General RECHT was in charge of a department in the Armament Office, which, among other matters, planned the production of chemicals and distributed the chemical products necessary for waging war to the various components of the armed forces. (Handwritten: Corrected; Signature: SPETER.) In the quarterly meetings of Central Planning at which the distribution of steel was decided on, General RECHT presented the steel requirements of the chemical industry for its expansion under the office of the Plenipotentiary for Chemistry.

In the event that Prof. KRAUCH was not satisfied with the decision of the Central Planning, he requested a special meeting of the Central Planning in order to discuss the requirements for his expansion plan.

If the Central Planning insisted on curtailing the planned projects, then a final meeting with GOERING was called, which, however, happened only once or twice.

(page 6 of original)

The whole responsibility for the stipulations of the expansion plan, which thus was fixed as to quantity, rested exclusively with the Plenipotentiary for Chemistry, who as far as its execution was concerned, was not to receive orders from a third party, but only from GOERING. The carrying out of the so-called P.S.V. Plan (Plan for the production of powder and explosives) provided under certain circumstances the only exception.

(Handwritten: Corrected; Signature: SPEER).

After my Ministry took over the total production in September 1943 conditions were not clear, because GOERING, as Plenipotentiary of the Four Year's Plan, took the viewpoint that only the tasks of the Reich Ministry of Economics were transferred to me, but not the superior power asserted in relations with the Reich Ministry of Economics, nor the tasks of the Plenipotentiary for the Four Year's Plan, and here in particular, the Plenipotentiary for Chemistry. GOERING was right as far as formality is concerned because HITLER expressly specified this in his well-known decree of September 1943.

(Handwritten: Corrected; Signature: SPEER).

In spite of this attitude shown by GOERING, KRAUCH was fully willing to closely cooperate with the raw materials department of my Ministry. Whether for the purpose of this close cooperation with the raw materials department, KRAUCH gave KEERL the authority to issue directions, I don't know.

It appears to me that the cooperation between KRAUCH and KEERL, or between the manager of the Department Chemistry in the raw materials office KOEB, and KRAUCH, respectively, was carried on so smoothly that there was no need of referring to the legal aspects.

Likewise, since September 1943, the Raw Materials Office determined the production of the various chemical products. This was done by allocating the intermediate chemical products, manufactured by I.G.-Farben as a monopoly, to the various chemical products, and where chemical firms outside the I.G.-Farben were concerned, to these individual firms.

(Handwritten: Corrected; Signature: SPEER.)

(Handwritten initial: Sp.)

(page 7 of original)

At that time I proposed to KRAUCH to take charge of these tasks of distribution and thereby, practically, to take over the Department Chemistry in the Office for Raw Materials. (Handwritten: Corrected; Signature: SPEER) However, at that time, KRAUCH declined to take over this task.

(page 7 of original, cont'd)

A new problem regarding competency arose, when the reconstruction of chemical works destroyed by aerial attacks was transferred to the "Commissioner General for Immediate Measures" ("Generalkommissar fuer Sofortmassnahmen") in June 1944, because he not only carried out the reconstruction, but in addition wanted to issue orders concerning technical manufacturing problems. The problem was discussed between KRAUCH and GOERING, the "Commissioner General for Immediate Measures" in the presence of KEMML and myself in a meeting, at which I decided that the Commissioner General for Immediate Measures was to be responsible for the reconstruction, but that KRAUCH, however, was to be the competent authority for technical manufacturing matters of the plant. The same applied to the building of subterranean fuel works, and the so-called "little plants" ("Kleine Anlagen").

KRAUCH, as Plenipotentiary for Chemistry, (Handwritten: Corrected; Signature: SPEER) had at that time a part in repairing the factories in so far as in view of the great damage done to the old factories, he ordered the construction of new factories stopped, and (Handwritten: Corrected; Signature: SPEER) the materials and labor on hand for this purpose were made available for reconstruction. GOERING still insisted in June 1944 that KRAUCH was directly responsible to him only. I can give an example to illustrate this.

Q: And that he was not subordinate to anybody?

A: ... and was only subordinate to him. I can give an example to illustrate this: When, beginning with 12 May 1944, air attacks on fuel plants interfered seriously with the production, I suggested and arranged a meeting with HITLER, at which besides GOERING also KRAUCH took part.  
(Handwritten initial: Sp.)

(page 8 of original)

GOERING was very angry at the time because KRAUCH, without obtaining his permission, went to a conference with HITLER. This, however, proved no barrier to very close cooperation which existed between my Ministry, the Commissioner General for Immediate Measures and KRAUCH in the practical re-building of the chemical factories which were damaged by air attacks. After this visit, HITLER, upon my suggestion, appointed the Commissioner General for Immediate Measures.

Q: Could you now briefly describe, the responsibilities of KRAUCH as Plenipotentiary of the Four Year's Plan for Special Questions of Chemical Production, just as they appeared in practice?



(page 8 of original, cont'd)

A: The Plenipotentiary for Special Tasks of Chemical Production was chiefly occupied with the planning and the construction of new plants. I have no doubts that this was her primary task. To what extent beyond this the Plenipotentiary considered himself competent for the entire chemical production, is not quite clear to me. I had the impression that the Plenipotentiary considered it as his duty to intervene in any branch of chemical production whenever it became endangered, as for instance, when German expert chemical workers were drafted into the armed forces. In such cases the Plenipotentiary represented not only the building interests, but also those of the whole chemical industry.

Q: I asked the question of how you interpret the term used by you, namely that KRAUCH was "directly subordinate to the Reich" ("reichsunmittelbar")?

A: KRAUCH was formally subordinate to GOERING, as the Commissioner of the Four Year's Plan. However, since GOERING from 1942 on or perhaps earlier already, (Handwritten initial: Sp.)

(page 9 of original)

no longer devoted himself so energetically to the Four Year's Plan, the Plenipotentiaries of the Four Year's Plan were left without a unifying head, and by losing GOERING they had in fact no longer a chief to whom they were responsible, nor could other Reich offices give them orders instead. (Handwritten: Corrected; Signature: STEER.)

Q: In another interrogation, which took place in the morning of 30 May 1945, you mentioned that you had founded unofficially in 1942 an "Advisory Council (Beirat) for Economic Warfare", for which selected industrialists like VOELLER, KRAUCH and ROECKLING, (Handwritten: Corrected; Signature: SPLER), as well as some electric power experts. Please describe to me how you set up this Beirat, who were its members, and what functions this Council for Economic Warfare had?

A: It seems to me that in the minutes here the meaning of the statements I made at that time, is not clearly given. It was not an Advisory Council for Economic Warfare that was in question. I intended to create an advisory board (Gremium) which was to assist the General Staff of the Air Force in selecting strategically and economically-important bombing targets. As the minutes correctly state I had chosen these men mentioned above for this particular purpose. It was not necessary to call a meeting of the advisory board (Gremium), because after a short time it became apparent



(page 9 of original, cont'd)

that the Air Force no longer was in a position to carry out large-scale air raids on economic targets. Consequently, the plan to set up this advisory board was not carried out. It was replaced by a special plan (Senderplanung), which was subsequently carried out by the Planning Advisor of the Inspector General for Water and Electric Power, Dr. KRAE, whom I placed directly under me for this purpose.

Q: What Council, therefore, never did meet? And merely (Handwritten initial: Sp.)

(page 10 of original)

the appointment was discussed by you and the members?

A: The Council never met, and it was never officially appointed. According to my recollection, I did not personally discuss the subject with the individual members intended for the Council.

Q: Before September-October 1943, as Minister of Armament, you had with the execution of pure explosives and chemical warfare agents nothing to do with the chemical production. Is that correct?

A: Not quite. The Ordnance Office, under the management of General BECHT, continuously worked on questions of chemical production. General THOMAS had created an apparatus in the Armament Office designed to assume leadership with the outbreak of the war and in the tasks which had been prepared already before the beginning of the war by the Plenipotentiaries of the Four Year's Plan. I learned later that at the beginning of the war there were arguments about this between REINHOLD and GOERING, and that GOERING, with the approval of HITLER, unequivocally fixed the unlimited authority of the Four Year's Plan, also as against the Armament Office. (Handwritten: Corrected; Signature: SPEER). General BECHT, therefore, took no leading part in questions of chemical production. Whether he secured a responsible position for himself by a agreement with the Plenipotentiary for Chemistry, I don't know. With the taking-over of the Armament Office, however, the so-called "Trusteeship" ("Betreuung") of the most important chemical works, was transferred to my Ministry.

Q: What did this "Trusteeship" by the Ordnance Office consist of?

A: I cannot give any details of it for the chemical section because I don't know which part of the usual and to you familiar "Trusteeship tasks" (Betreuungsarbeiten) was in connection with chemistry actually carried out by the Armament Office.

(page 11 of original)

Affidavit.

I, Albert SPEER, declare herewith that, after having been properly sworn in, have made these statements according to my best knowledge and belief. As token of the accuracy of the minutes transcribed by the reporter, I have specially signed each individual page.

Sworn by me

Nuernberg, 28 March 1947.

(Signed Signature)

J.P. CHARITZ  
O.U.S.C.G.

(Signed Signature)

Albert SPEER  
(Signature)

CERTIFICATE OF TRANSLATION

27 May 1947

I, E.N. REDELSTEIN, Civ. No. X- 046 289, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of the document No. NI-5821.

E.N. REDELSTEIN  
Civ. No. X-046 289.

TRANSLATION OF DOCUMENT No. NI-656  
OFFICE OF CHIEF OF COUNSEL FOR WAR  
CRIMES

Lieutenant Colonel (retired) KIRSCHNER  
in the staff of the General  
Trustee for Special Questions pertaining  
to Chemical Production  
Prof. Dr. C. Krauch

Berlin W 9,  
25 October 1941  
128 Saarlandstrasse  
telephone: 120043

(translator's note) handwritten  
notation: Herr Sittmann was  
given an extract of the letter.

To  
Director Dr. von Schatzler  
I.G. Farbenindustrie Aktiengesellschaft (Inc.)  
Grüneburgplatz  
Frankfurt on the Main

Dear Dr. von Schatzler,

It naturally meets with my approval that Herr  
Sittmann first goes away for a brief vacation which he  
fully deserves in view of his accomplishments during  
the East Campaign. This vacation also will restore to  
him the needed capacity for work and the resiliency  
required for the new and difficult tasks awaiting him  
here.

With pleasure I take this opportunity to  
advise you that the associates whom you kindly made  
available have so far and without exception proven a  
valuable increase in strength for the execution of my  
tasks.

I am also personally obliged to you for the  
understanding assistance which you are ready to give.

Yours faithfully  
Heil Hitler!  
(translator's note: handwritten  
signature:) Kirschner.

CERTIFICATE OF AUTHENTICITY

I, HERTHA C. MUTH, AGO No. X-046355, hereby certify that I am  
thoroughly conversant with the English and German languages;  
and that the above is a true and correct translation of Document  
NI-656.

HERTHA C. MUTH,  
U.S. Civilian,  
AGO X-046355.

END

59

FILE MEMO

for Geheimrat Dr. SCHMITZ

---

|                           |                |                     |
|---------------------------|----------------|---------------------|
| Re:                       | Our Reference: | BERLIN NW 7         |
| ReGoering, Work and Man"  | Dept.          | Unter den Linden 82 |
| as gift to staff members. | Ka/Ksch        | 31 March 1938       |

---

Dr. SCHNEIDER has proposed in the enclosed letter dated 27 March 1938, that the I.G. should buy 10,000 copies of the book "Goering, Work and Man", written by Ministerial-direktor GRITZBACH, and present it to all staff members, who hold any honorary office in the service of the plant combine, on the occasion of Fieldmarschall-General GOERING's anniversary. Dr. SCHNEIDER has talked to me and Director KRAUCH about this proposal. We consider the execution of this plan as extraordinarily desirable, as he also does.

(signature) ILGNER

P.S.- I would be grateful if the enclosed letter could be signed and forwarded immediately, because the anniversary is already on 8 April.

Enclosure. 3 April 1938

(Page 2 of original)

COPY

Ministerpräsident  
General Fieldmarschall GOERING

BERLIN, 23 April 1938

Dear Herr SCHMITZ,

I was very glad about your letter, which you sent to me, also on behalf of the I.G. Farbenindustrie A.G., on the occasion of the 5th anniversary of my appointment as Prussian Ministerpräsident, and especially that you used this occasion to make the "Gritzbach" book accessible to your staff in such a generous way. Therefore, I should not like to miss thanking you heartily and I hope to please you yourself by presenting this book to you.

Heil Hitler !  
Yours  
(SIGNED) GOERING

To  
Director SCHMITZ  
I.G. Farbenindustrie A.G.  
BERLIN NW 7  
Unter den Linden 82



(Page 3 of original )

Dr. Christian SCHNEIDER  
Vorstand Member  
of I.G. Farbenindustrie A.G.

Leuna Werke, 26 March 1938  
Telephone: Merseburg 3631

To  
Geheimrat Dr. H. SCHMITZ  
B e r l i n N W 7  
Unter den Linden 82

Dear Geheimrat,

After I consulted Dr. KLAUCH, I am informing you that I intend to present the book "Goering, Work and Man" by Ministerialdirektor Gritzsch to some of the staff members on the occasion of the anniversary of General-Fieldmarschall GOERING.

For this I have selected all those staff-members who at present hold an honorary office in the service of our plant-combine. Among these belong the members of the shop committees and their deputies, "Werkschamcanner", the local officials in the various departments and plants, and those persons with special missions such as airraid wardens, accident prevention wardens, "K.D.F." ("Strength Through Joy") representatives.

Altogether approximately 10,000 persons out of the whole I.G. Farben are concerned.

I am very grateful for your opinion concerning this suggestion.

With best regards,  
Yours Faithfully,

-----  
CERTIFICATE OF TRANSLATION  
-----

I, DOROTHEA L. GALEWSKI, M.P. NO. 34079, hereby certify that I am thoroughly conversant with the English and German languages; and that the above is a true and correct translation of Document No. HI-682.

DOROTHEA L. GALEWSKI  
M.P. NO. 34079

E Y D

- 2 -

61.

TRANSLATION OF DOCUMENT No. NI-682  
OFFICE OF CHIEF OF COUNSEL  
FOR WAR CRIMES

ERRATA SHEET

Document No. NI-682 first sentence of the file memo should read:

Dr. Schneider has proposed in the enclosed letter dated 26 March 1938, .....

-----  
Errata sheet prepared by:

JOHN J. BOLL  
U. S. Civilian  
AGO No. A-444412

- End -

62

Berlin NW 7, 12 January 1939  
Unter den Linden 82

Most venerable Fieldmarshal.

On the occasion of your birthday, today, we take the liberty of transmitting to you, most venerable Fieldmarshal, our best wishes.

May I, in the name of our company, and as a visible token of our sincere reverence put a sum at your disposal with the request that in view of the great variety of fields to which you devote your attention you will kindly determine the purpose of its application yourself.

With German salute

Heil Hitler

Yours very devotedly

for Geheimrat Dr. H. SCHMITZ

(Signed) C. KRAUCH

Galerie fuer alte Kunst  
G.m.b.H.  
Postal Checking Account:  
Munich No. 59459  
Telegram address: ARTIBUS  
Telephone No. 501 58

Munich 2, 12 January 1939  
Briennerstrasse 13

Director Dr. C. K R A U C H

B e r l i n W 9  
Saarlandstrasse 128

Dear Director,

We are taking the liberty of transmitting to you enclosed the bill for the oil painting sent to His Excellency, Fieldmarshal G O E R I N G upon your order.

This is a typical specimen and an especially fine peice of work of the master of the MANSI-Magdalena (Circle of the QUENTIN MASSYS).

The panel originated in the first quarter of the 16th Century and is remarkable because it is so unusually preserved.

Our best thanks and compliments,

Heil Hitler  
Galerie fuer alte Kunst  
G.m.b.H.

(Signature Illegible)

Galerie fuer alte Kunst  
G.m.b.H.  
Postal Checking Account:  
Munich No. 59459  
Telegram address: Artibus  
Telephone No. 501 58

Munich 2, 12 January 1939  
Briennerstr. 13

BILL OF SALE

Herr Director Dr. phil. C. KRAUCH

B E R L I N W 9  
Saarlandstrasse 128

Upon your order we sent as a birthday present to His  
Excellency, Fieldmarshal Prime Minister Hermann  
GOERING

1 oil painting on wood (52x38)

MOTHER HOLDING THE SLEEPING CHILD AGAINST HER BREAST  
Flemish, by the master of the MANSI-MAGDALENA.

Net price 38,000.—  
Reichsmarks

Kindly remit to our account with the Dresdner Bank,  
Munich.

-----  
Galerie fuer alte Kunst  
G.m.b.H.  
Postal Checking Account:  
Munich No. 59459  
Telegram address: Artibus  
Telephone No. 501 58

Munich 2, 24 January 1939  
Briennerstrasse 13

Director Dr. phil. C. KRAUCH

B E R L I N W 9  
Saarlandstrasse 138.

"  
Fraulein Ester

Dear Director,

We are pleased to acknowledge the receipt of the crossed  
check

for 38 000.— Reichsmarks

and the letter of transmittal.



TRANSLATION OF DOCUMENT NO. NI-536  
Cont'd

We credited your account with the above amount in payment of our bill of the 12 inst.

Please accept our thanks and compliments.

Heil Hitler

GALERIE FUER ALTE KUNST  
G.m.b.H.

Signature: MEURER (Acting)

13 January 1939

Memorandum for Geheimrat Dr. SCHMITZ:

Upon Dr. KRAUCH's request the letter already signed by Herr Geheimrat was changed according to the enclosed copy and transmitted yesterday by Dr. KRAUCH personally. On that occasion Dr. KRAUCH also gave oral expression to the Geheimrat's special wishes that he did not consider it appropriate to have mention made in the list of congratulations.

Furthermore, Dr. KRAUCH is not yet well enough to leave the clinic. He will probably still have to stay there next week too.

Initial: TH

Berlin SW 11, 18 January 1939  
Saarlandstrasse 128

Galerie fuer alte Kunst

Munich 2  
Briennerstrasse 13

Gentlemen:

In the absence and upon the request of Dr. C. KRAUCH I acknowledge receipt of your letter dated 12 inst. and I am pleased to transmit to you enclosed

Crossed Check No. A. 1 645 745 for 38 000.-- Reichsmarks to cover your bill dated the 12th inst.

Heil Hitler  
Illegible initial  
Secretary

Enclosure.  
Registered Mail

TRANSLATION OF DOCUMENT NO. NI-536  
Cont'd

CERTIFICATE OF TRANSLATION

I, HERTHA C. KNUTH, AGO NO. X-046355, hereby certify that I am thoroughly conversant with the English and German languages; and that the above is a true and correct translation of Document No. NI-536.

HERTHA C. KNUTH  
U. S. Civilian  
AGO NO. X-046355

END

Galerie fuer alte Kunst G.m.b.H.

Berlin W 9, 17 January 1940  
Saarlandstrasse 128

M u n i c h 2  
Briennerstrasse 13.

Gentlemen:

In the absence and upon the request of Professor Dr. C. KRAUCH, I acknowledge the receipt of your letter dated the 13th inst. and am taking the liberty of transmitting to you enclosed crossed check No. A. 1 764 727 for

60 000.-- Reichsmarks

in payment of your bill of the 13th inst.

Heil Hitler.

Initial illegible

Secretary

Enclosure.  
Registered.

Berlin NW 7, 4 January 1940  
Unter dem Linden 82

Dear Fieldmarshal!

On the occasion of the New Year I take pleasure in conveying my sincerest wishes to you.

Heil Hitler.

Yours very truly.

Member of the Reichstag

To:  
Prime Minister  
Fieldmarshal GOERING.

Berlin W 9  
Leipziger Platz 11 a

Galerie fuer alte Kunst  
G.m.b.H.

Dresdner Bank  
Munich  
Postal Checking Account  
Munich 59 459

M u n i c h  
Briennerstrasse 13

Telephone 50 158  
Telegraph Address: ARTIRI

13 January 1940

BILL OF SALE

To Director Dr. phil. C. KRAUCH, Berlin W 9, Saarlandstrasse 128

1 Plastic "Standing Knight" from the Pacher circle. Alpine wood-cut (1492)  
60 000.-- Reichsmarks

TRANSLATION OF DOCUMENT NO. NI-540  
Cont'd

Galerie fuer alte Kunst  
G.m.b.H.  
M u n i c h  
Briennerstrasse 13  
Telephone 50 158  
Telegraph Address: ARTIBUS

Dresdner Bank, Munich  
Postal Checking Account:  
Munich 59 459

13 January 1940

To:  
Director Dr.phil. C. KRAUCH

B e r l i n W 9  
Saarlandstrasse 128

Dear Director!

We take the liberty of transmitting to you enclosed the bill for the plastic you bought as a birthday present for His Excellency, the Fieldmarshal GOERING.

The "Standing Knight" which belongs to the Pacher Circle is an excellent piece of Alpine wood-cutting; not only that it is especially well preserved as regards its polychromy, but on its base is also shown the year of its creation (1492) - an extremely rare indication - , and the initials of the master.

It is one of the most beautiful plastics in Germany.

Heil Hitler  
GALERIE FUER ALTE KUNST  
G.m.b.H.  
Signature: Illegible

-----  
C O R R E S P O N D E N C E

Please issue for the account of I.G. Farbenindustrie Aktiengesellschaft Berlin NW 7 a Reichsbank crossed check in connection with:

60 000.-- Reichsmarks (Sixty-thousand Reichsmarks).

Berlin, 16 January 1940

Signed: H. SCHMITZ

CERTIFICATE OF TRANSLATION

I, HERTHA C. KNUTH, AGO NO. X-046355, hereby certify that I am thoroughly conversant with the English and German languages; and that the above is a true and correct translation of Document No. NI-540.

HERTHA C. KNUTH  
U. S. Civilian  
AGO NO. X-046355

END



Auszug aus Document No. NI-532  
OFFICE OF CHIEF OF COUNSEL FOR  
WAR CRIMES

Walter Andreas Hofer

Berlin W 50, den 14. I. 1942.  
Augsburger Str. 68 III  
Tel.: 25 41 56

Gemaelde alter Meister

Kunstgewerbe

Herrn  
Professor Dr. Krauch  
Saarlandstr. 128  
Berlin W 9

Sehr geehrter Herr Professor,

Einliegend erlaube ich mir Ihnen die Rechnung fuer  
das von mir zum Geburtstage des Herrn Reichsmarschalls  
gelieferte Bild von Sandro di Pietro di Domenico "Madon-  
na mit Kind und Engeln" zu uebersenden.

Mit hoefflichen Empfehlungen und

Heil Hitler !

Ihr ergebener

1 Anlage.

Walter Andreas Hofer

Berlin W 50, den 14. I. 1942  
Augsburger Str. 68 III  
Tel.: 25 41 56

Gemaelde alter Meister

Bankkonto; Dresdner Bank  
Dep.-Kasse 38, Luetzowplatz 1  
Berlin W 62

Kunstgewerbe

Rechnung

Herrn  
Professor Dr. Krauch  
Saarlandstr. 128  
Berlin W 9.

-----  
1 Bild von Sano di Pietro di Domenico

Siena 1406 - 1481

" Madonna mit Kind & Engeln "

Ehemals in der Sammlung des Herzogs  
von Anhalt-Dessau, Schloss Woerlitz.

RM 72.000.--

RM. 72.000.--  
-----

Walter Andreas Hofer  
Berlin W 50, Augsbur-  
ger Str. 68

gez. W. Hofer

"A CERTIFIED TRUE COPY"

- 2 -

END

70

SECRETARIAT  
Geheimrat Dr. SCHMITZ

19 January 1943

Deutsche Laenderbank Aktiengesellschaft  
Correspondence

Unter den Linden 78

Gentlemen:

Upon the request of Geheimrat Dr. SCHMITZ I ask you to kindly issue a Reichsbank crossed check (Reichsbank-Verrechnungsscheck) for

75,000.-- Reichsmarks

to be charged to the account of I.G. Farbenindustrie Aktiengesellschaft  
Berlin NW 7.

Heil Hitler.

Initial: E.

-----  
• 017 Telegram

DEUTSCHE REICHSPOST  
(Reich Post Office)

SS FROM HEADQUARTERS 5497 61 2/3 17.09

Accepted

Day Month Year Hour

2 -- 1943 2000 PM

From: By:  
(Initials Illegible)

Transmitted:

Day Hour

To: By:  
(Illegible Initial)  
892190

(Stamp) Already given through by telephone.

THOUGH I HAD ALREADY AN OCCASION TO THANK YOU IN PERSON FOR THE  
CONGRATULATIONS TRANSMITTED ME ON THE OCCASION OF MY 50TH BIRTHDAY  
AND FOR THE MASTERPIECES OF TWO APOSTLE STATUES PRESENTED TO ME I  
AM ANXIOUS TO EXPRESS TO YOU ONCE MORE IN THIS MANNER MY CORDIAL  
THANKS FOR THE ATTENTION YOU HAVE BESTOWED UPON ME.

HEIL HITLER -- YOURS GOERING REICHSMARSCHALL DES GROSSDEUTSCHEN REICHS

TRANSLATION OF DOCUMENT NO. NL-543  
Cont'd

Berlin W 9, 19 January 1943  
Saarlandstrasse 128

Galerie fuer alte Kunst G.m.b.H.

M u n i c h 2  
Briennerstrasse 13

Gentlemen:

In the absence and upon the request of Professor Dr. C. KRAUCH I  
acknowledge the receipt of your favor of the 16th inst. and I take pleasure  
in transmitting to you enclosed crossed-check No. 7 796 378 for

75.000.-- Reichsmarks

in payment of your bill of sale of the 16th inst.

Heil Hitler.

Initial: E.

Secretary

Enclosure.  
Registered.

-----

|                          |                                     |                           |
|--------------------------|-------------------------------------|---------------------------|
|                          | Galerie fuer alte Kunst<br>G.m.b.H. |                           |
| Dresdner Bank, Munich    | M u n i c h                         | Telephone: 50158          |
| Postal Checking Account: | Briennerstrasse                     | Telegram Address: ARTIBUS |
| Munich 59459             |                                     |                           |

16 January 1943

BILL OF SALE for Director Dr.phil. C. KRAUCH, Berlin W 9, Saarlandstrasse 128

2 plastics, in wood

APOSTLES PETER AND PAUL

by the master of the "Freiburger Johannes"

Upper Rhine, end of 15th century

Linden wood, height 102 cm.

Reichsmarks 75.000.--

-----



TRANSLATION OF DOCUMENT NO. NI-543  
Cont'd

(Stamp) SECRETARIAT PROFESSOR KRAUCH  
Received: \_\_\_\_\_  
Diary No. 181

Galerie fuer alte Kunst  
G.m.b.H.  
Bank Account: Dresdner Bank,  
Subsidiary Munich  
Post Checking Account: Munich No. 59459  
Telegram Address: ARTIBUS  
Telephone Number: 50158

Munich 2, 16 January 1943  
Briennerstrasse 13

Director Dr.phil. C. KRAUCH

Berlin W 9  
Smarlandstrasse 128

Dear Director,

On the occasion of the 50th birthday of the Reichsmarschall you bought in our gallery, as a birthday present

Two plastics, in wood, of the APOSTLES PETER AND PAUL

which we mounted according to your wishes in the apartments of the Reichsmarschall.

We take the liberty of transmitting to you enclosed the bill of sale, the photograph and a description of these objects.

With our best regards and Heil Hitler.

GALEIE FUER ALTE KUNST  
G.M.B.H.

(Signature: Illegible)

CERTIFICATE OF TRANSLATION

I, HERTHA C. KNUTH, AGO NO. X-046355, hereby certify that I am thoroughly conversant with the English and German languages; and that the above is a true and correct translation of Document No. NI-543.

HERTHA C. KNUTH  
U. S. Civilian  
AGO NO. X-046355

END

GALERIE FUER ALTE KUNST G.m.b.H. (GALLERY FOR OLD ART Ltd.)

Dresdner Bank Munich  
Postcheck Munich 59459

MUNICH  
Briennerstr. 13

Telephone 50158  
Telegraphic Address: Artibus

13 January 1944

INVOICE: Director Professor Dr. Phil. C. Krauch, Berlin, W.9  
Saarlandstrasse 128.

-----  
1 oil painting  
Portrait of a Man  
by the Master P.L. (Master of the Rechberg panels)  
Lime wood, 56,3 : 45,8 cm. RM. 70,000.--  
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(Page 2 of original)

(Translator's Note: Stamp:)  
Received Secretariat Prof. Krauch  
Day book . . . . . (Illegible)

GALERIE FUER ALTE KUNST  
G.m.b.H.

Munich 2  
Briennerstr. 13

13 January 1944

Bank account: Dresdner Bank Munich  
Postcheck account Munich No. 59459  
Telegraphic address: "Artibus"  
Telephone 50158

Director Professor  
Dr. Phil. C. Krauch,  
Berlin, W.9

Dear Professor,

On the occasion of the birthday of the Reichsmarschall,  
you purchased as a gift at our gallery

1 oil painting: Portrait of a Man

which we have put up at the residence of the Reichsmarschall, as requested.

We beg to hand you, enclosed herewith, invoice, photograph  
and a description of this object.

With compliments and,

Heil Hitler!  
GALERIE FUER ALTE KUNST  
G.m.b.H.

(illegible signature)

CERTIFICATE OF TRANSLATION

I, Dorothea L. GALEWSKI, M.P. No. 34079, hereby certify that I am  
thoroughly conversant with the English and German languages; and that the  
above is a true and correct translation of Document No. NI-1315

DOROTHEA L. GALEWSKI  
M.P. 34079

( E N D )

74

TRANSLATION OF DOCUMENT NO. NI - 628  
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES

(Translator's Note: Handwritten Notes:

W.T.B.

No. 1721

Saturday, 15 July 1933 )

Proclamation of a General Economic Council by Reich Chancellor  
Adolf Hitler.

Berlin, 15. July. The Reich Economics Minister announces the following:

In order to utilize the experience of practical economy for the tasks of the Reich Government, the Reich Chancellor nominates a General Council of Economy members of which are to be at the disposal of the Reich Government in regard to all economic questions. The General Economic Council meets by special invitation. The Reich Chancellor has made the following appointments to the new Generalrat for the time being:

Herbert BACKE, Domain Bailiff (Domaenenpaechter), Berlin

Prof. Dr. Carl BOSCH (Heidelberg)

Geh. Landesbaurat, Dipl. Ing. Eugen BOEHRINGER,

Director of the Maximilianhütte (Rosenberg) Oberpfalz)

Director - General August DIEHN, Deutsches Kalisyndikat (German Potash Combine), Berlin

Banker August von FINCK, Munich

Dr. Otto Christian FISCHER, President of the Zentralverband des  
Deutsche Bank- und Bankiergewerbes (Central Association of the  
German Banking Business, Berlin

Dr. Albert KNACKELSBERGER, Factory-owner, Oefflingen/Baden

Burgomaster v. KROGMANN, Hamburg

Dr. G. KRUPP von BOHLEN und HALBACH, Essen

Prussian State Counsellor, Dr. Robert LEY Leader of the DAF (German Labor Front), Berlin

Dr. Carl LUER, President of the Chamber of Commerce and Trustees of Labor, Frankfurt/M.

Prussian Staatsrat, Friedrich REINHART, Bank Director, Berlin

Dr. Hermann REISCHLE, Leader of the Landhandel (Agricultural Trade and the Landwirtsch. Genossenschaften (Agricultural Cooperatives), Berlin

Kurt Freiherr von SCHROEDER, President of the Chamber of Commerce, Cologne

Karl Friedrich von SIEMENS, Berlin

Prussian Staatsrat, Dr. Fritz THYSEN, Muelheim/Ruhr

Generaldirektor Dr. Albert VOEGLER, Dortmund

CERTIFICATE OF TRANSLATION

I, DOROTHEA L. GALEWSKI, M.P. NO. 34079, hereby certify that I am thoroughly conversant with the English and German languages; and that the above is a true and correct translation of Document No. NI-628.

DOROTHEA L. GALEWSKI  
M.P. NO. 34079

B B D

TRANSLATION OF DOCUMENT NO. NI-3512  
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES.

OFFICE OF THE U.S. CHIEF OF  
COUNSEL FOR WAR CRIMES

STATEMENT UNDER OATH

I, Walter Warlimont, hereby state the following facts  
under oath.



(page 2 of the original)

The plan to set up a corps of Reserve Officers for the National-Economy - the so-called Wehrwirtschaftliche Fuehrer-Korps- was probably first discussed within the circles of the Wehrwirtschaftsstab (Military Economic Staff), in 1945.

General George Thomas was Chief of the Wehrwirtschaftsstab since 1944. From 1939 until he was discharged on February 1, 1943, he was also Chief of the War Economy Office and Armaments Office in the High Command of the Armed Forces.

The undersigned, Walter Warlimont, General (ret'd. was Chief of the Economic Department of the Army Ordnance Branch from the middle of 1934 to 1935, and Chief of the Economic Department in the Wehrwirtschaftsstab from 1935 until August 1936, in both cases under Thomas.

In this capacity the above-named Walter Warlimont was kept informed of the preliminary steps taken to create the Wehrwirtschafts-Fuehrer-Korps to the extent that his position was involved but he had no decisive influence in shaping these proceedings. Therefore, one would have to acknowledge that the following facts which have been taken from the notes of General Thomas and from documents reflect his recollections only in a general way.

The following problems were considered to be main tasks by the Wehrwirtschaftsstab in the OKW:

- a) To give a clear picture of the importance of National Economy in case of a future war.
- b) To compute the requirements, military and otherwise, of national economy in the event of war.
- c) To prepare for economic warfare, and
- d) to study the war potential of the presumptive enemy and friendly states.

(page 3 of the original)

Not only entrepreneurs (Betriebsführer) were to be chosen as Wehrwirtschaftsführer but also those persons who were especially interested in ideas of national defense (Landesverteidigung) and who were in a position to collaborate energetically even in peacetime in the steps preparatory to mobilization.

Contrary to the expectations of the undersigned, and as he only learned occasionally from people belonging to these circles after he had left the staff of the Army (Aug. 36), the setting-up of a Wehrwirtschaftsführer-Korps was very favorably received in industrialist circles and many industrialists were very anxious to acquire the title of "Wehrwirtschaftsführer".

The Wehrwirtschaftsführer-Korps was created in 1936 and on the legal basis of the "Auxiliary Civil Servants Law" (Hilfsbeamtengesetz).

The detailed regulations concerning Mobilization - Plan-Preparation S.M.III for the creation of the Wehrwirtschaftsführer-Korps were issued by the Reich War Minister and Commander-in-Chief of the Wehrmacht, v. Blomberg on June 22, 1936, and became effective immediately.

The preparation of these instructions had been the task of Major Ludwig H u e l l e r.

They contained, among others, the following provisions:

1. PROVISIONS OF A GENERAL NATURE

The Wehrwirtschaftsführer are the responsible collaborators of the Wehrmacht in preparing and carrying out the mobilization of the armament industry, and its management during war-time.

(Page 4 of the original)

They correspond roughly to the officers of the reserve army in their importance and in their tasks and duties in the armament industry.

The basis for the Wehrwirtschaftsfuehrer-Korps is the "Auxiliary Civil Servants Act".

2. PURPOSE OF THE "WEHRWIRTSCHAFTSFUEHRER-KORPS" is

- A. to guarantee the responsible collaboration of the leading personalities of the armament industry in war and peace on the basis of the "Auxiliary Civil Servants Act" in accordance with the interests of national defense.
- B. to guarantee that every armament factory is managed by the leaders, engineers and outstanding employees who are indispensable and have had long experience in the factory in peacetime, regardless of whether they may already have been drafted by entries in their Work Book (Arbeitsbuch);
- C. to designate militarily responsible collaborators in the Factory Work Schedule;
- D. to make more widely known technical and organizational details of blue-prints and processes of the armament industry, in the event of a mobilization, in order to especially accelerate the conversion of those factories to armament production which are not already so engaged during peacetime;
- E. in the event of mobilization to minimize difficulties expected to arise through unfair competition and price-fixations and instead of this to see to it that the community spirit is cultivated in nation united in the defense of its country;
- F. to have ready the necessary experts who can strengthen the

(page 5 of the original)

the war economic offices and also become members of new staffs, and to train these experts for their mobilization tasks.

3. TASKS AND DUTIES OF THE "BEREITSCHAFTSLEHRER"

A. In Peace-time:

1. to adjust, to the greatest possible extent, the armaments factories to eventual mobilization needs, especially to give assistance in the preparations to meet their Work Schedule.
2. to do the compulsory drill which would train and give them experience in the duties provided for them when mobilization takes place;
3. to train skilled workers;
4. to prepare regulations for safeguarding the factory and to see that these regulations are carried out;
5. to prepare for, and carry out, the necessary measures to protect the factory during an air-raid and to train employees in their tasks during an air-raid;
6. to prepare, and administer security measures within the factory.

(Tasks 4 - 6 according to the directives of the competent agencies outside the War Economy organization).

B. In war-time:

1. to convert existing armament factories, and to organize new armament factories for wartime manufacture, in accordance with the mobilization schedule of the factory;
2. to manage the factory so as to safeguard the interests of National Defense;



(page 6 of the original)

3. to strengthen the War Economic Offices and the staffs of the Wehrmacht (Armed Forces).

5. FORMATION OF THE "WEHRWIRTSCHAFTSFUHRER-KORPS"

A. Selection and Nomination:

Professional position and experience are just as important in the selection of Wehrwirtschaftsfuhrer as suitability of character. As far as possible, such persons should be selected as leaders who are already officers, or candidates, for the reserve army.

Other persons who are important in economic life and leaders in their branch of industry may be nominated and appointed even if they are not officers of the reserve army.

The prerequisite is that their character and personality, their attitude and their way of life guarantee that they will perform their tasks properly.

As for Jews and Jewish people of mixed parentage, Article 15 of the Army Act, as amended on June 26, 1936 (R.G.Bl. I S.518) applies. Since the personnel employed in armament works are considered a part of the Wehrmacht, the above-named persons do not even come up for consideration for the position of "Wehrwirtschaftsfuhrer".

7. TRAINING OF THE "WEHRWIRTSCHAFTSFUHRER"

The "Wehrwirtschaftsfuhrer" will receive a special training of an organizational and technical character aimed at preparing them for the work that awaits them in the event of a mobilization.

The training will be based on the "Directives for the Training of the Wehrwirtschaftsfuhrer-Korps".

(page 7 of the original)

DETERMINATION OF THE APTITUDE FOR W. W. Fuo (Wohrwirtschafts-  
fuhrer):

Qualifications in War Economics is the primary condition for said applications for appointment as W. W. Fuo. It is determined by the professional knowledge and by the position which the suggested person holds in the industry or in the armament firm, for which he is to be appointed W. W. Fuo. It overlaps with

the personal aptitude of the applicant which also has to be established. For this purpose the firm concerned has to request, and present to the W-In:

1. information from the competent State Police Office as to whether any political charges or charges in connection with espionage were on record against the applicant.

For this purpose a printed form as specified in the decree of the "Reich Minister of War and Supreme Commander No. 2001, 11.35 Defence III a.g., dated 1/11/1935" made out in triplicate has to be sent to the Office of the State Police, who will make investigations and will forward the result directly to the inquiring office, if there were no charges against the person in question. In all cases, in which the State Police office ascertained incriminating incidents, information is not to be sent to the inquiring office, but is to be passed on to the counter-intelligence department of Corps Headquarters respectively to the Command of the Naval Station. The Counter Intelligence Office reports the incident to the inquiring office together with a statement of their point of view, briefly citing the charges.

The final conclusion has to read:

- a) No objections or
- b) Objections or

(page 3 of the original)

- c) Engagement (appointment of W. H. Fuc) entirely out of question.

The following persons should be excluded on principle:

- A. Foreigners
  - B. Former functionaries of the SPD and the KPD, as well as persons who have been especial active followers of marxistic doctrines.
  - C. From Russia returned emigrants, if they have returned to Germany only recently.
  - D. Persons with a record of heavy and repeated previous punishment.
2. an extract from the penal register of the competent counter intelligence office of the Corps Headquarters of the Command of the Naval Station
  3. a questionnaire filled in by the person, proposed for appointment as Wehrwirtschaftsfuehrer.

In addition to the questionnaire:

- a) a curriculum vitae, in the applicants own handwriting
- b) 2 photos
- c) a certificate of good conduct, issued by the Police
- d) a statement with regard to possible former membership in a masonic lodge, as per attached form 3f.
- e) a statement concerning a clear record of the applicant's past per attached form 3g
- f) a statement concerning applicant's support, without reservation, of the National Socialistic State per attached form 3h
- g) The entrepreneurs (Betriebsfuehrer) consent to the appointment
- h) proof of the right to use academic titles
- i) certified copies of the recommendations given by the entrepreneur (Betriebsfuehrer)

(page 9 of the original)

- j) record of the military career. In case that records of military service are not available, application must be made for the issuance of a certificate of military service.

When the persons suggested for appointment of W Mi Fuo are officers commissioned for the duration, who have already received or submitted the proofs and statements mentioned above, they need not submit them again. Likewise, those who are generally considered important and leading personalities, need not produce the evidence to a), c), e), h) and i). The firm calling for the W Mi Fuo must ask the competent recruiting district headquarters for access to the personal record, for the purpose of examination and making extracts.

Induction and administration of oath to the W Mi Fuo and presentation of insignia:

The appointed W Mi Fuo are to be thoroughly instructed by the W-In (W Mi St) regarding their duties and tasks in time of peace and war, regarding the chain of command and authority (compare S.M.III, part I No. 1, 2, 3 and 6) regarding espionage, counter intelligence, treason, regarding their obligation to guard official secrets and the supervision of defence, and in case all this has not already been done elsewhere, to bind them by handshake to fulfil their obligation faithfully and conscientiously.

Following this the oath of allegiance to the Fuehrer of the German Reich and people is to be administered. A written statement must be made of the induction and administration as per attached form 3L, and is to be signed by the W-In resp. W Mi St and the W Mi Fuo. This statement is to be added to the personal record.

"End"

CERTIFICATE OF TRANSLATION

I, E.M. Redelstein No X 046289 hereby certify, that I am thoroughly conversant with the English and German languages, and that the above is a true and correct translation of Document No. NI-3512

14 March 1947

E.M. Redelstein  
# X 046289



Enclosure 3 f  
to S.F. III part I  
number 5 (Encl.3)

AFFIDAVIT

I declare upon oath, that I \*)

a) have never been a member of a lodge, of an organisation  
similar to a lodge or of substitute lodge,

b) have been a member of a lodge, of an organisation similar  
to a lodge or of a substitute lodge, but that

on ....., I ceased to be a member of the  
.....lodge, .....  
(exact manner of leaving)

c) was a member of one of the above organisation in the  
..... degree.

Name : .....

Profession: .....

Address : .....

STATEMENT ON CRIMINAL RECORD

I hereby declare that - excepting the convictions listed below - I have no previous convictions against me and that I have not suppressed any previous convictions which are subject to restricted information, have been annulled, or for which probation or ~~exemption~~ from punishment has been granted.

I further declare that, besides the decisions in matters of honor (also proceedings in a court of honor, according to the law regulating national labor) listed below, no proceedings affecting my honor have been instigated or are pending against me.

I know that the truthfulness of my declarations will be tested, and that untrue assertions will cause my dismissal as "No 1" Fue.

Penalties:

Decisions made against me in matter of honor: .....  
.....  
....., on ..... 19 ...  
.....

DECLARATION OF POLITICAL ATTITUDE

I hereby declare that I stand unreservedly (ruchhaltslos) on the National Socialistic conception of the State, and that I have not engaged in any activity against the interests of the People.

I am fully aware that the truth of my statement will be investigated, and that any untrue statement will result in my dismissal from the position of Wehrwirtschaftsfuehrer.

I am fully aware that in case of any expressions or actions of mine which may constitute an offense against the National Socialistic conception of the State, I must expect not only legal prosecution, but also my dismissal from the position of Wehrwirtschaftsfuehrer.

....., on.....19..

.....

Enclosure 3 L

Before the undersigned appears:

Mr. ....

born ..... in .....

residing at .....

He is informed, that through the decree of .....  
effective from ..... he is appointed Military  
Economy Leader (Wehrwirtschaftsfuehrer) with .....

He has been informed of the duties and responsibilities of  
a Wehrwirtschaftsfuehrer and pledged by handshake to the loyal  
and conscientious performance of his duties.

Instructions have also been given with regard to espionage,  
counter intelligence, treason, safeguarding of official secrets  
and control of men liable for military service, with reference  
to the act changing provisions of the penal code and the code  
of penal procedure, dated 24/4/1934.

He then took the following oath:

" I swear: I shall be faithful and obedient to the Fuehrer  
of the German Reich and the German People, Adolf Hitler, obey  
the laws and conscientiously fulfill the duties of a Wehrwirt-  
schaftsfuehrer, so help me God."

.....  
(Signature of Wehrwirtschaftsfuehrer) (Signature of W-Jn (War  
Economy Staff))



TRANSLATION OF DOCUMENT No. NI-3512  
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES

I have made the foregoing deposition voluntarily and not under duress.

I have read each of the 12 pages and the last page of this deposition carefully and signed them with my own hand. I have made the necessary corrections in my own handwriting and signed them with my initials, and I hereby declare under oath that in this affidavit I have stated the full truth to the best of my knowledge and belief.

(Handwritten signature): WALTER WARLIMONT

Sworn to and signed  
before me this 31  
day of January 1947  
at Nuerenberg

(signature) Henry A. Buxbaum

OCG APO 696 A  
POSITION : Research  
Analyst

CERTIFICATE OF TRANSLATION

I, E.M. Redelstein No. X 046 289 hereby certify, that I am thorough conversant with the English and German languages, and that the above is a true and correct translation of Document No. NI - 3512.

14. March 1947

E. M. Redelstein  
# X 046 289

- 14 -

E n d

84

TRANSLATION OF DOCUMENT No. HI-4623  
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES

Military Economy - Inspectorate VI  
No. 31096 /37 Ib

Muenster i.W. 16 March 1937

Strictly confidential !

Rubber stamp:

Secret !

1. This is a state secret within the meaning of Article 88 of the Reich Penal Code.
2. Only to be handed over under sealed cover; if sent by post, to be "registered".
3. To be kept, at responsibility of addressee, under lock and key.

Herrn Hauptmann a.D. Dr. Flinzer (Captain, retired)  
Leverkusen  
Karl Rumpffstr. 41

The Reich Minister for War and Commander in Chief of the Armed Forces has ordered that a Leader Corps (Fuehrerkorps) for Military Economy be set up immediately.

The War Economy Leaders shall be responsible collaborators of the Wehrmacht in preparing and carrying out the mobilization of the armament industry, and in the conduct of war.

Their significance, their tasks and duties in connection with the armament economy places them in a position corresponding approximately to that of Reserve Officers on active duty (Offiziere des Beurlaubtenstandes bei der Truppe).

It is intended to recommend you for appointment as Military Economy Leader.

Certain personal data are required for this purpose; please complete the enclosed forms and return.

1. Questionnaire,
2. 3 index cards (on all 3 copies fill out only the right hand side of the front and the left hand side of the reverse),
3. Declaration as to any previous membership in a Freemason Lodge,
4. Declaration as to clean police record,
5. Statement as to unreserved devotion to the national socialist state.

At the same time you are requested to submit the following:

6. Life history,
7. 2 photographs (approximately 4 x 6 cm), signed in the lower half

TRANSLATION OF DOCUMENT No. NI-4623  
CONTINUED

(page 1 of original, cont'd)

8. Good conduct police certificate (application form enclosed)
9. Betriebsfuhrers consent to the appointment as Military Economy Leader (Wifue),
10. Evidence of authorization to use academic title,
11. Certified copies of testimonials issued by Betriebsfuhrer, under whose supervision applicant has been working up to this day.

(page 2 of original)

12. Records, if available, concerning military career, (Military identity papers, enlisted man's and officer's regimental record, military service certificates).

You are requested to submit the personal data, mentioned under items 1 - 12, to Military Economy Inspectorate VI, Munster i. W. Warendorferstr. 4, marked "Confidential".

If you are an officer of the reserve and have previously submitted the above evidence and statements, these requirements are considered as already complied with. In that case it will suffice to name the recruiting district headquarters concerned.

Heil Hitler !

-.....-

CERTIFICATE OF TRANSLATION

16 June 1947

I, Arthur MACNAMARA, No. 20191, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of the document No. NI-4623.

Arthur MACNAMARA  
No. 20 191

- 2 -  
"END"

TRANSLATION OF DOCUMENT No. NI-533  
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES

GRS/E/TH/75

4 February 1938.

Dear State Secretary,

I acknowledge receipt of your letter of the 30th ult., as well as the certificate about my appointment to Wehrwirtschaftsfuehrer with many thanks. I beg you to convey my sincere thanks to Ministerpresident General Goering, for the confidence in me expressed by it.

With my best respects  
Heil Hitler

Yours faithfully  
(handwritten signature)

signed: G. Schmitz.

To  
State Secretary in the Reich- and Prussian  
Ministry of Economics  
Dr. H.E. P o s s e ,

Berlin W. 8  
Behrenstrasse 43

CERTIFICATE OF TRANSLATION

I, DOROTHEA L. GALEUSKI, MP 34079, hereby certify that I am thoroughly conversant with the English and German languages; and that the above is a true and correct translation of Document No. NI-533.

DOROTHEA L. GALEUSKI,  
MP 34079.

END

92



TRANSLATION OF EXCERPTS FROM DOCUMENT No. NI-8197  
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES

(page 3 of original)

THE  
REICH GROUP "INDUSTRY"

Location and Task  
of the Industrial Organization

by

Dr. KARL GUTH

Principal Business Manager of Reich Group "Industry"

2nd Printing

1941

Junker and Dammhaupt Publishing House/ Berlin

TRANSLATION OF EXCERPTS FROM DOCUMENT NO. NI-8197  
CONTINUED

(page 5 of original)

As the top organization of German industry and a component part of the industrial organization created by the National Socialist state, the Reich Group "Industry" is not an end in itself but serves the Reich and the enterprises of industry. Before we outline the nature and the tasks of the organization itself, we deem it appropriate to precede it with at least a thumbnail description of the development of German industry and of its outstanding importance, side by side with agriculture, to the whole economy; of its influence on population policy, the level of the standard of living, trade and last, but not least, the military strength of our people fighting for its existence.

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(page 17 of original)

The world war again brought about a union of German industry into one top association. The stern pressure of economic necessity led to the creation of the "War Committee of German Industry". It was joined on 16 February 1918 by the "German Industrial Council", a set-up, the name of which linked it with the old endeavors of the Nineties. The Industrial Council expressed the idea that, as the sole and independent representative of German industry

(page 18 of original)

it wanted to gain greater recognition after the war than hitherto for the contribution of the creative work of German industry to the political and economic life of Germany.

Then came the ninth of November 1918, and in the dark times which followed, this program seemed ironical. But the difficulties which had to be met, the attacks on the existence of German private enterprise which had to be fought off had some good in them. Compared with the danger confronting industry as a whole, the differences which before the war had separated the associations, seemed trifling. The need was recognized for contributing to the re-construction of the collapsed economy by joint, conscientious work. On 3rd and 4th February 1919, on the occasion of a joint conference, the two top associations of German industry, the "Central Association of German Industrialists" and the "Union of Industrialists", resolved to combine to form the "Reich Association of German Industry". After several weeks of preliminary work, the foundation and organization of the new association took place on the 12th April 1919 at Berlin.

According to its statutes the purpose of the Reich Association was to represent and further German industry, to bring about uniformity

(page 18 of original cont'd)

in the actions of the circles concerned and to co-operate with the workers. It was not concerned with wage policies, however. The following could become members of the Reich Association:

1. Specialized industrial associations;
2. regional or local associations and bodies formed for the safeguarding of general economic interests;
3. individual industrial enterprises;
4. and, for special reasons in the interest of the Reich association, individuals, who, according to the statutes, "are, or have been, executives or members of the board of directors of an industrial enterprise."

A few figures will give a graphic view of that industrial organization. On the 1st November 1932, the following groups belonged to the Reich Association of German Industry, besides a number of individual members:

(page 19 of original)

- 29 specialized groups with more than 1500 special associations,
- 22 regional associations, outstanding among which were the Association of Saxon Industrialists and the Langenverrein;
- 28 local and general associations, such as the United Association of German Metal Industrialists and the Utility Association (Gewerbeverband) of North West German Industrial Representatives;
- 64 Chambers of industry and commerce.

Besides 26 special committees, eleven Advisory Councils were formed for general economic policies, questions of foreign trade, promotion of export, social and tax policies and others.

It must not be imagined that the industrial organization of that time was a hierarchical structure in which the relation of the federations of its members was governed by the principle of superior and subordinate. There was no legal basis for such leadership power. Besides the interests involved, which in turn depended on prerequisites of an industrial, agricultural and, last but not least, economic and political nature, the personality of the association heads and their business managers was of decisive importance to the question as to how far any leadership was carried into practice.

(page 19 of original cont'd)

To understand the real nature of the Reich Association of German Industry and its federated associations, it must be borne in mind: that the associations were representatives of certain interests. Their aims were quite different. While some limited their tasks to matters of a general economic nature, others were active, partly or exclusively, in the field of market regulation and thereby often took on the characteristics of cartels. The low levels often strove to introduce social policies, while at the top, the organizational severance of the Reich Association of German Industry from the Federation of German Employers' Associations had brought about the separation of economic and social policies.

The associations were based on the principle of voluntary membership. In many cases they encompassed almost all of the firms of their respective trade or of their district, in other cases only a minority; on the average, the Reich Association of German Industry encompassed about 70 to 80% of all industrial

(page 20 of original)

enterprises. It is obvious that this great organizational accomplishment was instrumental in greatly facilitating the subsequent reorganization based on mandatory membership. In some fields, however, there was a definite overlapping, which sometimes resulted in duplication of work and organizational friction. On the other hand, the instinct of self-preservation alone forced the federations to keep always in close touch with their members. They had to consider it their task to bring up themselves those questions which were important to their trade or district; they could not wait until suggestions were put to them in the advanced stages of development. Differences between members had to be settled in order to reduce the sometimes disparate interests to a common denominator. They always had to be ready to advise and help as far as possible in order constantly to impart the feeling to their members that they (the members) were receiving a compensation to the full value of their contribution. In short, the enterprises demanded that "their" associations should be close to life and untiringly active. There is no need to enlarge upon the fact that the dependence of the federations on their members carried with it the danger that purposeful activity was sometimes taken to mean bustle and that the dynamics of association activities did not always attract well-balanced personalities.

The necessity always to remain in contact with the members and their worries and requests finds expression in the organization of the Reich Association in the council status accorded to



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TRANSLATION OF EXCERPTS FROM DOCUMENT NO. HI-6197  
CONTINUED  
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(page 20 of original cont'd.)

the trade and the district organization. It was clear that it was impossible, on the basis of industrial associations alone, to have a "Central Representation of Industrial Interests", as the Reich Association was meant to be. An enterprise does not live in a vacuum, bound to other businesses of the same branch of industry only by the tie of common professional interests; it is a part of a district and has grown up with it. Any organization which thought fit to ignore the regional peculiarities, which often give a whole branch of industry its color, would always have remained incomplete. The fact, that the relationship between the Reich Association and its affiliated regional associations was a loose one,

(page 21 of original)

that some of these associations, to name only the "Langsam-verein", had a considerable life of their own, must not lead us to overlook the wealth of stimulation which they offered to the Reich Association.

The co-operation of the entrepreneurs on the advisory Councils and Committees of the Reich Association should prevent the danger, which exists in every top organization, of the rise of a bureaucracy removed from reality, and should guarantee a management working closely with the enterprises. The entrepreneurs, working as executives or consultants of the organization, perform their functions in an honorary capacity. The statutes of the Reich Association state that the members of the main committee, the executive board and the Presidency work in an honorary capacity, while members of the business management are paid.

The State did not supervise the associations. Such supervision would have been incompatible with the conception then prevalent of the nature of the economy and the characteristics of the associations as voluntary federations. The aims of the organization made it necessary that the organization keep in touch with the moulders of the political will and the executive authorities, while the State Offices, in turn, willingly made use of the help which the associations afforded in order to obtain the data necessary to judge the actual conditions with regard to economic and technical questions. An outstanding example is the successful part played by the industrial organization in the re-opening of Germany's trade relations in the years following the world war. Such, in rough outline, was the situation of the associations before National Socialism took over control.

The days following the 30th January 1933 are characterized by a struggle in the field of industrial organization for the clarification of the class conception, whose prerequisites were not always clearly known, and of the Leader Principle.

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TRANSLATION OF EXCERPTS FROM DOCUMENT NO. NI-8197  
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(page 21 of original cont'd.)

Dr. KRUPP v. DOHLEN und HALBACH, who headed the industrial organization from the fall of 1931 until its final transfer to the Reich Group "Industry", described the tasks and aims deriving from the political change in the following, guiding words:

"In line with the desires and plans, which I cherished and Expressed when I took over office as chairman of the Reich

(page 22 of original)

Association of German Industry, I issued directives on the 3rd May for the re-organization and simplification of industrial associations. My aim will be to use the authority given to me, firstly, to bring economic measures for industrial organizations into harmony with political necessity and secondly, to bring the new organization into complete accord with the political aims of the Reich Government and at the same time make it so efficient that, in accordance with the great importance of industry, it can be an effective instrument of industry within the framework of the national, social and economic reconstruction of Germany".

Thanks to this high ideal the great changes in the many-sided body of the industrial organization could be carried out in the years following in such a manner, that administrative work never had to be stopped at any place or any time.

The Reich Association of German Industry and the Federation of German Employers' Associations merged in June 1933 to form the "Reich Estate (Reichsstand) of German Industry." The work of the Reich Estate, as the joint declaration of the Association formulates it, should "rest on the basis and acknowledgment of the conception of the positive and confident co-operation of all men engaged in production." Such tendencies also appeared from other directions. Mostly, there was not enough awareness of the fact that the federation of all members of a branch of industry, not only of the entrepreneurs was a prerequisite of an "Estate". Added to this was the fact that efforts to regulate the market became confused with ostensible class ideas which were often expressed in the form of mere slogans. This development, which threatened the general prestige of valued National Socialistic ideals was all the more dangerous, partly because hand in hand with it, went an abuse of the Leader Principle. Just as non industrial federations to an ever-increasing extent came to term their chairman "the Leader" and give him as much unrestricted authority as possible,

(page 23 of original)

so federations, particularly those with the aim of regulating the market, liked to use this convenient means to convince reluctant members of the correctness of their association policy. Moreover, as a direct consequence of the course taken, the more or less forcible bringing in of outsiders seemed justified and the road cleared for the complete cartelization of the German industry.

98

(page 23 of original cont'd.)

The leaders of the National Socialist State had to arrest such a development throughout industry and guide the industrial reconstruction into ordered channels. On the 27th February 1934, therefore, the Law for the Preparation of the Organic Structure of the German Industry was promulgated. Its basic paragraph 1 give the following powers to the Reich Minister of Economics:

1. to recognize industrial associations as the sole representatives of their branch of industry;
2. to found, dissolve or merge industrial associations;
3. to change or supplement the statutes and articles of association of industrial associations and, in particular, to introduce the Leader Principle;
4. to appoint or dismiss the leaders of industrial associations;
5. to bring entrepreneurs and enterprises into the industrial associations.

Within the meaning of this law, industrial associations are those associations and federations who represent the industrial interests of entrepreneurs and enterprises. All federations with social policy aims are, therefore, excluded; their continuation became impossible when the German Labor Front was formed.

The ensuing period is characterized by the institution created in March 1934 of "Leader of the Economy". Simultaneously with the Leader of the Economy, 13 Main Group Leaders were appointed, of which seven came from industry and the other six from trade, labor, finance, insurance, power and transport. While the division of the economy into main groups was a temporary thing,

(page 24 of original)

and it was only within Reich Group "Industry", that it lasted any length of time, the "Economic Groups", which, on the basis of the Law for Economic Reconstruction were to an increasing degree recognized as sole representatives of their branch of industry were to assume a lasting importance. The framework into which they were to be fitted became known through the publication of the First Decree of 27 February 1934 for the implementation of the Law for the Preparation of the Organic Structure of German Economy (Aufbauverordnung.)



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TRANSLATION OF EXCERPTS FROM DOCUMENT NO. NL-8197  
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(page 55 of original)

After the revocation in 1935 of the export embargo on war implements the Reich authorities concerned saw that it was necessary to place the export of war implements under a uniform supervision and direction. The Reich Group Industry was charged with carrying out this task for which it created the Export Combine for War Implements (AGK.). The task of the AGK consists mainly of promoting the export of war implements, while abiding by official regulations, directing with a view towards the greatest possible economic good and steering large armament enterprises from a central point.

At the same time as the steering of the economy by the State increased, a new field of endeavor opened for the members of industry: raw material rationing. This, too, is guided by the principle: the State should steer the economy but should not operate it. The specialists of the Reich Ministry of Economics and the Reich Offices subordinated to them, steer, and the industrial enterprises produce, process and consume. In general, the type of requirements and quantity can only be judged and handled uniformly according to special sectors. Consequently, for most raw material sectors, the economic and special groups are the suitable intermediary offices which can regulate applications and allocations between the individual Reich

(page 56 of original)

Office and the multitude of enterprises, as well as between the individual enterprise and the several Reich offices. Thus the economic and special groups constitute a welcome and necessary point of junction, or a sluice between the Reich offices and the enterprises. This will also ensure that the enterprises receive the various raw materials in the exact proportion needed for production, and moreover, at the right time.

This method of rationing is particularly suitable for meeting large or regular requirements, regardless of whether it involves finishing or auxiliary materials, material for repairs or packing material. Thus the Reich Group Industry itself handles centrally some quotas, others have been transferred to the economic groups or individual special groups for sub-division among their members. Raw Material rationing is closely connected with the military economy, on which today the main interest is focussed. It covers nearly all economic



TRANSLATION OF EXCERPTS FROM DOCUMENT NO. 11-0197  
CONTINUED

(page 56 of original cont'd)

activity connected with the war. Therefore, let us single out merely the most important sectors: steering of production, manpower and, taking both into consideration, directing of contracts. To this must be added the numerous other tasks connected with them, such as compensation for machinery, construction of new production facilities and utilization of existing ones, shifting of orders etc. In all these fields the industrial organizations have assumed important functions or have made great contributions to the solution of these problems. Steering of the production for each special sector is mainly done via the economic and special groups and according to directives from the ministries. In this field, therefore, the special branches play an important part as indispensable organs of the military economy. Whereas in the beginning the supply position in the individual raw-material sector was the decisive factor in the planning of the extent and type of production, the decrease in manpower resulting from Wehrmacht call-ups put the manpower situation in the forefront as the deciding factor for further production in war. The general aim was, and still is today, to increase armaments production as much as possible, to maintain production of military importance and to cut out unessential production. Where the

(page 57 of original)

rough classification given here is separated into special fields, the economic and special groups start functioning; where further production poses regional problems; the tasks in question are to be solved by district organizations. Since the manpower situation varies considerably from one district to the other, the industrial departments and chambers, in co-operation with State, military and Party offices have endeavored to release workers from enterprises which could not receive contracts of military importance. The determining of so-called bottleneck districts, in which militarily important production tasks could not be carried out with the available local labor, and the discovery of idle machinery in other districts made it necessary to tighten up the steering of contracts. The Reich Group Industry is very active in this field, in co-operation with the Reich Minister for Arms and Munitions and the armaments council set up by him. In addition, it holds so-called contract-exchanges (Auftragsbörse) in which industrialists compete for war contracts in accordance with available production facilities. Finally, the Reich Group Industry arranges for an exchange of free and suitable machines, machine-tools, raw materials and semi-finished products to promote war-time production.

(page 57 of original cont'd)

There is one field, that of plant air protection, which has taken on special importance during the war. Its underlying thought, that the industrial enterprises should protect themselves against air raids, was already promoted in 1929 by the top industrial organizations and was developed in the period following. In 1937, through the "First Decree for the Execution of the Air Protection Law", the Reich Group Industry was given the legal authority to direct the implementation of plant air protection according to the instructions of the Reich Minister of Aviation and the Commander-in-Chief of the Luftwaffe.

It is the aim of plant air-protection work to enable industry in spite of damage done by the enemy to meet the requirements set by the State, of war implements and to produce goods essential to the population. To implement these tasks the Reich Group, as the

(page 58 of original)

organization in charge, uses its plant air-protection branch, district or local office. To deal with special problems, the Reich Group may naturally avail itself of the special branches.

Plant air protection includes the more important plants, not only industrial, particularly those important to the German armaments and military economy. The measures for plant air protection are of an organizational, as well as practical nature. The organizational task, to begin with, includes the formulation of a plan for plant air protection, the division of the staff into active, stand-by and reserve groups, the allocation of specific tasks, and so on. The practical measures extend to various fields; as for instance: building, camouflage and black-out, fire fighting, long distance signalling and warning system, gas protection, medical aid, veterinary service, repair service, supply etc.

The work of the organization in charge of plant air protection consists of formulating and issuing directives and instructions for all the fields of plant air protection. Moreover, it is necessary to maintain a permanent and thorough supervision of the protection measures of each plant.

The multiplicity of the work brings about close contact between the plant air-protection offices and the offices of the Wehrmacht and the interior administration concerned, as well as with other authorities and organizations whose work touches on air protection, particularly plant air protection. Moreover, the organization in charge of plant air protection, by reason of agreements made some time ago, is at the disposal of branches

page 58 of original cont'd)

of the air protection service, such as the Offices of the Reich Post and Reich Railroad, for the purpose of pooling experience.

Thorough training of the members of the organization in charge, as well as of the staff members working in the protection service is of great importance to the successful accomplishment of the tasks. This training is undertaken in the plant protection schools of the organization in charge, as well as, - with the aid of local offices - in the plants themselves. It was already tested in peace-time by regular plant drills. Thanks to the work done in peace-time, the measures for plant air protection have also

(page 59 of original)

come up to expectations in time of war, as shown by the appreciative notices appearing in Wehrmacht reports.

In many cases, the measures taken within the framework of plant protection for defense against air raid damage mean an enlarging of peace-time measures for the security of the plant and its staff. This applies among other things, to the plant medical service, as well as to the measures taken for combating the danger of fire caused by air raids. Construction measures reduced the danger of fire, so that if a fire did start it could not spread too far. These constructions for fire protection are not enough, however, particularly since technical considerations often block such constructions. Therefore, special value had to be attached to well-trained and well-equipped fire fighters. Through the "Seventh Decree for the execution of the Fire Fighting Law" of 17 September 1940, the Reich Group Industry was made legally responsible for important tasks in the field of peace-time fire fighting. In the dealings of German enterprises and of individuals with firms abroad, those economic and contractual transactions which might have a lasting harmful effect on the home industry, especially those of such a nature as to bring about the removal of industrial potential from Germany, need to be specially watched in the interests of the home industry. Within the scope of this task, the Central Office of Reich Group Industry participates in the administrative preparation for plant inspections by foreigners and employment of foreigners in German enterprises for informational purposes. It further handles the question of the taking abroad of the results of German inventiveness, such as the sale of patents, granting of licenses, technical help in the construction of foreign production plants, etc.; it also handles the question of the sending abroad of specialists, of exporting of means of production and semi-finished products, participation by German firms in foreign enterprises and setting up factories abroad.

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TRANSLATION OF EXCERPTS FROM DOCUMENT NO. NI-8197  
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CERTIFICATE OF TRANSLATION  
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1 August 1947

I, Samuel S. HOWE, LGO-443 113, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of the document No. NI-8197.

.....  
Samuel S. HOWE  
LGO-443 113



THE CONSTRUCTION OF INDUSTRIAL ECONOMY  
IN INDIVIDUAL PRESENTATIONS

Composition  
of the

REICH GROUP INDUSTRY

Issued by the Business Management

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Luehe Publications / Leipzig — Berlin

(page 17 of original)

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(Page 16 of original)

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NO. NL-3798  
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107

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(Page 20 of original)

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NO. NL-3706  
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104

TRANSLATION OF ~~EXTRACTS~~ ~~OF~~ DOCUMENT  
NO. NL-3798  
Cont'd

CERTIFICATE OF TRANSLATION

I, DOROTHEA L. GALEWSKI, M.P. NO. 34079, hereby certify that I am thoroughly conversant with the English and German languages; and that the above is a true and correct translation of Document No. NL-3798.

DOROTHEA L. GALEWSKI  
M.P. NO. 34079

END

Transcript of the Meeting of the Advisory Board to the Reich  
(Economic) Group "Industry" at Berlin on 11 February 1938

1. Mr. Ebbecke reports about the reduction of the refinement clauses in the sales provisions of the combines and works concerning former securities and proposes that these refinement clauses be completely eliminated. This proposal is adopted after some people, for instance Dierig, expressed themselves against any reservation of property and made the demand for a return to personal credit. It was requested also that the security provisions of the banks be made known. The Reich Ministry of Economics, where Mr. Schwartz negotiated with Mr. Gottscheck, agrees to the issuance of the recommendation worked out by the Reich Group to the (individual) Groups and promised to give executive powers to the Reich Group if this recommendation should not meet with any success.
2. Mr. Junghans recommends that the conditions of payment and delivery be regarded as tasks for the whole group in the sense of the trust supervision, and that the groups impose to the affiliated firms in the form of orders if necessary, the given provisions made by the group.
3. Mr. Tabel reports about the cooperating groups "Iron" and "Metal" and mentions in this instance a decree just issued by the DAF concerning a reorganization of the Reich cooperating plant groups. Mr. Blohm is of the opinion that this somewhat new decree aims at a closer connection between this organization and the Leaderships and is furthermore of the opinion that it was urgently necessary that the deputy "Reichsfachamtsleiter" be identical with the chiefs of the Tabel organization.
4. Privy Councillor Guntz reports that the DATSC worked last year with a deficit of 70,000 RM. The amount needed for the year 1939 was 430,000 RM, he said, 130,000 RM of which had been raised by himself so that the groups and industry sections should raise 300,000 RM during this year, which was approved.
5. The question of the participation in the Herman Goering Inc. is discussed. It is suggested, partly by the groups, that the manufacturing industry assume a participation to the amount of 1/3 of the turnover. Opinions are divided. Mr. Dierig considers it highly desirable that the financing be made as far as possible by private means.

(page 2 of original)

6. Dr. Guth reports about the organization of economy leaders who are appointed by the Wehrmacht (General Thomas).
  - 2.) by the Plenipotentiary for cases of mobilization (Posse, Sarnow).
    - a) for the Army, Navy and Aviation 40 gentlemen have been appointed so far as managers of armament plants or for employment with the war economy staffs. (Mr. Blohm reports that he and his brother were appointed here by the Wehrmacht, two engineers who are not plant managers were appointed by the Aviation.)
    - b) The Plenipotentiary General has so far appointed 35 gentlemen who have not been appointed by the war economy staffs, for instance Flick, Thyssen, Pleiger. He wants to appoint all together two to three hundred persons and to form a war economy council attached to the Reich Economy Chamber.

Since the gentlemen mentioned under a) apparently cannot be included, the grotesque situation arose that for instance Messrs. Pietsch and Dierig cannot be members of this council. I expressed my conviction that such an organization would be a superfluous and non-productive one.

c) War economy advisors with the war economy offices appointed by the Reich economic group "Industry" (One has in mind in the first place the chiefs of the industry sections and as their deputies, the managers.) Mobilization Commissioner of the Reich Ministry of Economics, appointed by the Economic Groups and Economic Chambers.

e) War economy liaison personnel essentially identical with the commissioner for mobilization mentioned under d).

f) Counter Intelligence Commissioners in the armament plants, especially for the maintaining of secrecy regulations, etc.

g) Confidential agents in the A- and L-plants.

It was generally agreed that this is a clear and well planned organization.

/s/ Ernst Poensgen

CC: To Messr.  
Dr. Reichert  
Dr. Spaedling  
Dr. Steinberg  
Dr. Voegler

CERTIFICATE OF TRANSLATION

I, ERMA E. UBERALL, AGO No. D-150096, hereby certify that I am thoroughly conversant with the English and German languages; and that the above is a true and correct translation of Document No. NI-077.

/s/ ERMA E. UBERALL  
U. S. Civilian  
AGO No. D-150096



MILITARY TRIBUNAL NO. I  
CASE NO. II  
Prosecution Document Book No. XXVI

*English*



# INDEX

TO

DOCUMENT BOOK No. XXVI

count - ID  
 FARBER PARTICIPATED IN CREATING AND  
 EQUIPPING THE NAZI MILITARY MACHINE  
 FOR AGGRESSIVE WAR

| Exhibit<br>No. | Document<br>No.   | Description of Document   | Page<br>No. |
|----------------|---|---|-------------|
|                | NI-4833<br>(already in<br>evidence in Book<br>III as Exhibit<br>26) | Interrogation of the defendant<br>Gottinow on his meeting with<br>Hitler in 1932 where the<br>production of synthetic gasoline<br>was indorsed by the Nazis.  | 1           |
|                | NI-8637 (already<br>in evidence in<br>Book III as<br>Exhibit 29)    | Interrogation signed and sworn by<br>the defendant Buetevisch on his<br>meeting with Hitler in 1932, where<br>the production of synthetic gasoline<br>was indorsed by the Nazis.  | 5           |
|                | NI-881 (already<br>in evidence in<br>Book V as<br>Exhibit 92)       | Gasoline agreement between Ammonick<br>Werke Merseburg Leuna and the Reich<br>Economic Minister and Reich Minister<br>of Finance, dated 14 December 1933.   | 22          |
|                | NI-319 (Already<br>in evidence in<br>Book V as Exhibit<br>93)       | Typewritten copy of letter from<br>Farber to Reich Minister of Economics,<br>in which I.G. approves the contract<br>NI-881.   | 28          |
|                | NI-330 (Already<br>in evidence in<br>Book V as Exhibit<br>94)       | Memorandum by Secretary of State<br>Feder, dated 10 January 1944,<br>requesting that a copy of the<br>agreement NI-881 be submitted to<br>Hitler. Footnote No. 1 says that<br>Hitler has been informed.   | 29          |
|                | NI-9477   | Affidavit by Dr. Bothe Mulert, former<br>junior director (Ministerialdirigent)<br>in the Ministry of Economics, on<br>history of gasoline agreement between<br>Farber and the Reich, December, 1933   | 30          |
|                | NI-6530   | Speech by the defendant Buetevisch at<br>the celebration of the acquisition of power<br>by the Nazis, printed in "Von Work zu<br>Work", March 1938, Page 29, when<br>Buetevisch stated: "I will never forget<br>the day in 1933 when I got the order<br>from the Reichsstellen in Berlin to<br>extend by all means our gasoline<br>production." | 32          |

| Exhibit<br>No. | Document<br>No. | Description of Document | Page No. |
|----------------|-----------------|-------------------------|----------|
|----------------|-----------------|-------------------------|----------|

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|         |  |  |    |
|---------|--|--|----|
| NI-4885 |  | Minutes of the meeting of the management at Ludwigshafen on 4 July 1934 with the defendants Knierim and Ambros present. Gaus reported on his visit to Koppler on the subject of substitutes for foreign raw materials. | 35 |
|---------|--|--|----|

| Exhibit Document<br>NO.                                    | NO. | Description of Document   | Page NO. |
|--|-----|---|----------|
| NI-7295  |     | Files of the Reichsstelle fuer Wirtschaftsausbau. "Confidential Report of steps to be taken to make the German oil industry self-sufficient", dated 16 October 1934.  | 37       |
| NI-3975  |     | Analysis of records and records concerning BRABAG, prepared by the Finance Division OMGUS.  | 45       |
| NI-7669  |     | Report on first oil discussion at Ludwigshafen on 10 January 1935, where the defendant Bueteifisch reports the presence of the defendants Krauch, ter Meer, Jaehne, Schneider, Kuehne and Ambros, about the formation of the plant Braunkohlenbenzin A.G. (BRABAG).   | 59       |
| NI-7319  |     | Interrogation of von Knieriem re Brabag and his part in persuading Standard Oil and Dutch Shell to invest their blocked marks to construct a hydrogenation plant to use I.G. Farben's process.  | 65       |
| NI-5620  |     | Meeting of Commercial Committee, 10 February 1936, in which the report is made of the founding of the Hydrier Werke for the production of synthetic mineral oil using the I.G. process.   | 79       |
| NI-7767  |     | License agreement between Farben and Brabag, dated 14 June and 22 August 1935.  | 80       |
| NI-9922  |     | I.G. memorandum prepared by Office Division I, Oppau, initialed by Cammerer, dated 19 November 1936, on I.G.'s development costs of hydrogenation process, computing the net loss of RM 336 million.  | 89       |
| NI-6765<br>(Already in evidence in Book III as Exhibit 31) |     | Statement by Jaehne of 2 May 1947 stating that I.G. Farben could not continue gasoline production after 1941, without subsidies.  | 93       |
| NI-5931  |     | Three documents on I.G.'s synthetic gasoline production. (a) Letter I.G. Ludwigshafen to Reichs Air Ministry, 3 July 1933, on synthetic lubricants (b) Letter Reichs Air Ministry to I.G., dated 27 June 1935. (c) Minutes of conference with I.G. Ludwigshafen re development of special fuel, dated 24 June 1934. | 94       |



- NI-9088 Letter of the Reichs Air Ministry to Army Ordnance Office, dated 4 September 1934, with memorandum giving details about the decision of synthetic gasoline production for aircraft engines. 100
- NI-355 Copy of letter of Glemm (head of the Economic Group Chemical Industry) to the Reich Chamber of Economy, requesting the promulgation of a decree exempting from tax the turnover of various kinds of oil in the interest of national economy and military policy, dated 9 October 1935 109
- NI-356 Letter from Ungerwittter (Head of the Economic Group Chemical Industry) to Brinkmann of the Reich Economic Ministry, dated 20 May 1936, stating that the goal of Nazi economy and military policy is as complete an autarcy as possible in regard to fuel. 111
- NI-357 Letter from Glemm (Economic Group Chemical Industry) to Reich Economic Minister dated 12 March 1937, requesting reduction of tax in chemical industry. 112
- NI-5380 (Already included in Book 23) Top secret record of the meeting of the Advisory Committee about questions of raw materials on 26 May 1936, under the chairmanship of Goering. Present: Defendant Hermann Schmitz. Goering states that in the A-case Germany would not get a drop of oil from abroad, that with a thorough motorization of army and navy the whole problem of conducting a war depends on oil and that all preparations must be made for the A-case so that the supply of the war-time army is safeguarded. Furthermore Goering indicates serious import reductions in the A-case and states that rubber is Germany's weakest point. 115-141A
- 1301-PS (USA 123) (Already included in Book 23) Top secret record of the Council of Ministers on 12 May 1936, where Goering states that "if we have war tomorrow, we must help ourselves by substitutes." 142

NI-7836 Contract between the German Reich and the American Lurgi, Hoesung 189 A

A F F I D A V I T

=====

I, Dr. Heinrich GATTINEAU, at present at the Palace of Justice in Nuernberg, after having first been warned that I will be liable for punishment for making false statements, declare herewith under oath, of my own free will and without coercion, the following:

I was born on 6 January 1905 in Bucharest; I am married. Since January 1928 I have been an employee of I.G. Farbenindustrie, first as the secretary to DUISBERG. In 1931 I became head of the sub-department (Referat) for Commercial Policy - which was the precursor to the Political Economy Department - and head of the Press Office of I.G. which was under the supervision of Prof. Erwin SELCK. From 1933 until January 1938 I was head of the Political Economy Department (WIPO) of I.G. Farbenindustrie in Berlin NW 7, and in January 1939 I became business manager of A.G. Dynamit NOBEL in Fressburg.

I was made chief of the Political Economy Department (WIPO) because apart from my knowledge in the field of commercial policy and by reason of my journalistic activity and acquaintances I had the necessary contacts with the Government and the agencies of the Party and thus I could render I.G. good services as Verbindungsmann (liaison officer). In the efforts of the management of I.G. to establish contact with the new men in power, my contacts and old friendships - which in part went back to the time of my membership in the Bund Oberland, of which I had been a member since 1923 - proved extremely useful. From this period, for instance, I know HINKEL (Kulturwalter of the NSDAP - administrator for matters pertaining to culture - who established contacts for me with the press, Prof. HAUSHOFER, who among others presented me to HESS, the deputy of the Fuehrer. In mid-1933 I was given the title of Sturmbannfuhrer z.B.V. (for special assignment) in the Supreme Command of the SA, and at the end of 1933 I was promoted Standartenfuhrer z.B.V.. There my activity was to act for cases as they came up as economic-consultant to ROEHM, the SA chief of staff. On 30 June 1934 I was arrested by the Gestapo because of my being a member of ROEHM's Staff, and after my release I withdrew from the SA. As far as I know no other member of I.G.'s management received at that time the same title or a similar one. The connection was

(Page 2 of original)

important for the SA because apart from the current general donations which did not come to me, other requests for contributions to the SA - in amounts of 2000 to 250000 - were through me taken up with the management of I.G. The biggest donation of approximately 200,000 Reichsmarks for SA topcoats was made in the winter 1933/34. These requests when they exceeded 2000 Reichsmarks were passed on by me to Dr. Max ILGNER as the member of the Vorstand who was competent and who then discussed them with Geheimrat Hermann SCHMITZ. From the period dating prior to 1933 I know of various payments made out of the so-called Kalle-funds to political parties and also to the National Socialists for election purposes. Minor payments like, for instance, the monthly contributions which since 1932 were being paid to the political economy press service of FUNK (defendant in Trial No. 1) were made out of funds of the Press Office and since 30 June 1934 required Dr. Max ILGNER's approval (previously that of Prof. Erwin SELCK) and my own.

TRANSLATION OF DOCUMENT NO. NL-4833  
Cont'd

Upon Dr. ILGNER's initiative the Circle of Economy Leaders (Wirtschaftsfuehrerkreis) which cooperated closely with the Propaganda Ministry (called F-circle) was established at the beginning of 1934. It consisted of the representatives of industry i.e., among others, of von WINTERFELD (Siemens), Dr. HAHN (Mittleuropaeischer Wirtschaftstag (Central European Economic Diet) and Westliche Schwerindustrie (Western Heavy Industry)), O.C. FISCHER, Dr. ILGNER and myself of I.G. Farben. In conjunction with the Propaganda Ministry this organization had set for itself the task of abating events in Germany which were detrimental to the German reputation abroad, to attenuate them and to see to it that the situation in "New Germany" would appear in a more favorable light abroad. It also was the task of the Circle of the Economy Leaders to prevent awkward actions of the Ministry of Propaganda and to substitute for them more suitable ones. The Circle of Economy Leaders was well qualified for this because its members knew the situation abroad well; they had good connections abroad and were acquainted with the mentality of the respective countries. The development of events in Germany had greatly disturbed the export policy and the representatives of industry were now wishing

(Page 3 of original)

to counteract this unfavorable development by appropriate propaganda. One tried to shift the attention from political questions to cultural ones. To the Propaganda Ministry this development was very desirable because in that manner the connections which industry had abroad could be used for its purposes. Besides, it was an advantage to use people not known to be paid propagandists. This propaganda activity was financed not by the Propaganda Ministry but by the firms of the respective sub-department chiefs. In that manner I handled Scandinavia and Dr. Max ILGNER North America. Among other things also trips by foreign newspapermen to Germany were financed. The negotiations with and the payment to the propagandist Ivy LEE also occurred during that period. Payments made for such purposes were accounted for by Dr. ILGNER with the Zentral-Finanzverwaltung of I.G. and Geheimrat SCHMITZ was informed about them. Dr. ILGNER's Office was used as the business office of the Circle of Economy Leaders. Other propaganda organizations which had been established upon ILGNER's initiative are the Association of Karl SCHURZ and the Mittleuropaeische Wirtschaftstag. This activity of Dr. ILGNER's also was an expression of his efforts to make himself useful to the new men in power, thus to obtain a prominent position for himself. He was in a position to do this because as head of the NW 7 organization of I.G. he had an insight into all of I.G.'s affairs and he thus could be of service to other people and authorities. For example, his ambition became apparent also in that from the very beginning he tried to have WIPO and the Press Office placed under his supervision; he succeeded in this in the year of 1934.

After HITLER had taken over the power the various leading members of I.G. tried to establish their admission to Nazi circles. Geheimrat SCHMITZ, for instance, became a member of the Kuratorium (Supervisory Council) for the "Haus der deutschen Kunst" and a member of the Reichstag; Prof SELCK was in the SS and his connections originated there. Georg von SCHNITZLER opened his "salon" in Berlin so as to keep close contact with the leading persons. Most of the members of the Vorstand

(Page 4 of original)

and many leading personalities of I.G. Farben were appointed Military Economy Leaders (Wehrwirtschaftsfuehrer). These titles were conferred by the Ministry of Economy for merits in the field of military economy and armament



production.

It was the task of the Political Economy Department to maintain contact with the government agencies and semi-official agencies which became more and more numerous. Among other things it was the task of WIPO to maintain connection with the Foreign Organization (Auslands Organisation) of the NSDAP. We procured the political "no-objection" certificates of A.O. (Foreign Organization) which were necessary to obtain exit-permits for I.G. employees. One of the prerequisites for issuance of this permission was that the gentlemen who were to depart had to report to the A.O. abroad and in their activity to practice National Socialist principles. This "no-objection" certificate was issued only to people with a positive attitude toward National Socialism, i.e. political opponents and non-arians could not obtain this permission. Whenever the travellers were functionaries who belonged to one of the party organizations they had to report to the A.O. also after their return to give an account on the economic and political situation in the respective countries. It also frequently happened that employees in the I.G. management abroad - among them also many Verbindungsmaenner - were at the same time functioning in behalf of A.O. It goes without saying that all of the German representatives of I.G. were subject to A.O.'s control politically and otherwise. A.O. desired, I.G. Farben consenting to it and after 1937 insisting that all the I.G. representatives abroad who were German, participated in all activities and arrangements of A.O.

In the year 1932 I.G. was interested in the introduction of the so-called standard fuel because they had invested huge sums in the hydrogenation process for synthetic benzine products. It was therefore important to know what HITLER intended to do in this question should he come into power. By order of C. BOSCH I arranged this meeting for BUETEFISCH through HAUSHOFER and Rudolf HESS.

(Page 5 of original)

HITLER promised that he too would give our gasoline production the necessary protection.

The institution of the I.G. Farben Verbindungsmaenner was an idea of Dr. Max ILGNER. These Verbindungsmaenner were accountable to the Commercial Committee and they were mostly appointed by the Commercial Committee upon the recommendation of ILGNER or of the Sales Combine. Their monthly reports were dealing with matters pertaining to currency policies with narratives on the political situations, with surveys on the industry of the respective countries and their productions etc. These reports were sent to the Office of the Commercial Committee and from there were channelled to the interested offices. Thus they came also to the Economics Department (VOWI - Volkswirtschaftliche Abteilung) where they were being put to further use. Thus they also found their way later on to the various military and government offices which received VOWI reports. WIPO (Wirtschaftspolitische - Political Economy Department) too received those parts of the reports it was interested in, i.e. those on political and commercial-political questions, and I know that important reports of this kind were passed on to the Vorstand. All of the Verbindungsmaenner were people whose appointment had first been talked over with the A.O. and who were agreeable to A.O. or at least could be tolerated by it.

In 1936 or 1937 Under-Secretary POSSE of the Ministry of Economics approached I.G. to ascertain what production capacities were available with I.G. for the various substitute materials (Austauschstoffe) - for instance cellulose,



light metals and synthetic gasoline - so as to have information on hand, I presume, as regards possibilities for economizing foreign exchange and in the event of war. I.G. made indeed statistics available for this work by way of the offices of the Sparten. The Economic Groups in which I.G., in turn, was represented by the heads of its Sparten passed these statistics on to the Reich Ministry of Economics.

(Page 6 of original)

I read carefully each of the six pages of this affidavit, countersigned them in my own handwriting, made the necessary corrections in my own handwriting and countersigned them with my initials and I herewith state under oath that in this statement I have spoken the pure truth according to my best knowledge and conscience.

(Signature) Dr. Heinrich GATTINEAU.  
Dr. Heinrich GATTINEAU

Sworn to and signed before me this 13th day of March 1947, at Nuerenberg, by Dr. Heinrich GATTINEAU, known to me to be the person making the above affidavit.

(Signature) Otto VERBER.....  
Otto VERBER  
U.S. Civilian A-444385,  
Interrogator  
Office of Chief of Counsel  
for War Crimes,  
U.S. War Department

CERTIFICATE OF TRANSLATION

I, HERTHA C. KNUTH, AGO NO. X 046355, hereby certify that I am thoroughly conversant with the English and German languages; and that the above is a true and correct translation of Document No. NI-4833.

HERTHA C. KNUTH  
U. S. Civilian  
AGO NO. X 046355

END

-4-

7

TRANSLATION OF DOCUMENT No. NI-8637  
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES

Interrogation of Dr. Heinrich Buetefisch  
on 16 April 1947, from  
9.45 until 11.45  
Interrogator: Dr. Otto Heilbrunn

German Court Reporter: Elai Underlich

Q.: Are you aware that today also your statements are under oath?

A.: Yes.

Q.: We need some information from you beyond the usual affidavit.  
You have already made a deposition to that effect in your question-  
naire. Please dictate: Your curriculum vitae, as briefly as pos-  
sible.

(Dictation of curriculum vitae follows, together with  
list of offices held. Deposited in affidavit of 18.4.47)

Q.: Today we will talk about "EKP". Who in your field of work was  
responsible for MOB questions?

A.: Mobilization plans? Our opinion on this was not asked, it was  
not our competence. It was the task of the Economic Group as such  
to collect production figures and these were passed on to the Mi-  
nistry of Economics.

Q.: No, I mean in the Works.

A.: We had nothing to do with the Works. Only the Betriebsfuehrer  
could have dealt with that. When you say MOB question, I do not  
know how to answer this. If a question was put to the Works,  
then the Manager had to supply the answer. We did not have an of-  
fice-dealing-with-"EKP". But I wish to elucidate one point: The  
question of protection, so-called protective measures which had to  
be taken in case of war. That did concern the Works. In case the  
Works were attacked, the tasks were split up. Mr. Deinhardt was  
responsible for taking protective measures.

Q.: Did you hold practices at Leuna?

A.: Yes, that's what I meant, Mr. Deinhardt was responsible for that.

Q.: When was the first practice?

A.: The Luftwaffe turned up with several generals, I'll name them.  
I do not remember the year, it must have been in 1935 or 1936.

A practice was arranged. It was given out: "An air fleet is at-  
tacking Leuna". What do you do to protect yourselves?

Q.: Round a conference table or in the open air?

A.: In the open air. It was the task of the Economic Group as such  
to collect production figures and these were passed on to the Mi-  
nistry of Economics.

(page 1 of original, cont'd)

- A.: A squadron flew over, a telephone message was received, and work was stopped. This was followed by a discussion as to whether the correct measures had been taken.
- Q.: First the squadron approached, then it was sighted and a message sent out ?
- A.: No, it was done on a larger scale. The air raid alarm post signaled the approach and the idea was to see ...
- Q.: Who received the message ?

(page 2 of original)

- A.: A telephone call was received from the alarm post. We sighted the squadron. The point was whether the order to stop work could be carried out without confusion before the arrival of the squadron.
- Q.: What do you mean by "stop" ?
- A.: The whole of the Louna Works from gas production to the completed production hung together like a honeycomb. Every plant was linked with the other. If work was seriously interrupted in one plant, then it might have thrown the whole Works out of gear. That is why the whole Works was sealed off. The various plants were sealed off by shutting the sliding-doors and supply pipes, so that the damage could be localized.
- Q.: Was that really done during air-raid practices ?
- A.: It was only done on paper.
- Q.: Did production go on ? How was the signal given ?
- A.: The message was: "Squadron approaching". They noted the time. The anti-aircraft commandant had to say whether he recognized them in time; he shot. The raider then signaled, either "I got away" or "I have been hit".
- Q.: Were they shot at ?
- A.: No, it was only practice. They did it in order to make use of the experience in case it came to the real thing.
- Q.: Was there any low altitude flying and diving ?
- A.: Yes.
- Q.: Did the raiders drop anything ?
- A.: No.

(page 2 of original, cont'd)

Q.: Did they fire duds ?

A.: No, I really don't know whether a 2cm gun was used for the defence - it is quite possible.

Q.: An anti-aircraft gun ?

A.: I don't remember exactly.

Q.: The raiders didn't drop any dud bombs ?

A.: No, that would have meant a certain danger for the Works.  
If a load had been dropped on the pipe-line, it might have been unpleasant.

Q.: And what happened afterwards ?

A.: There the practice itself ended. We were then told what we should have done; whether the signal was given too late or too early.  
Mr. Deinhardt then made use of the experience gained.

Q.: Were you as a Works criticized by the Luftwaffe ?

A.: No, I would not know, I did not hear the criticism of the experiences gained. All we said was that if the raiders should succeed in diving down as low as that, then it would be a very serious thing for us.

(Initial-  
led:)

(page 3 of original)

Bu. Q.: Was Colonel Thomas present at these practices ?

A.: I cannot say it for certain, I remember General Milch. There were a few Luftwaffe generals. It is possible that Thomas was there. I saw him.

Q.: At these practices ?

A.: No.

Q.: How often did these practices take place ?

A.: I only witnessed one such practice. However, now and then we were ordered to practise on a certain day. Every now and again we had to give the order to cease work.

Q.: Do you remember the approximate date ?

A.: It is difficult to say. After this large scale practice, Deinhardt every now and then held such a practice on his own account. I have forgotten.



TRANSLATION OF DOCUMENT No. NI-8637  
CONTINUED

(page 3 of original, cont'd)

- Q.: What part did the Vermittlungsstelle W play in all this ?
- A.: The Vermittlungsstelle W, as far as I am informed, had been established to determine the question of treason in connection with the giving away of military secrets to foreign countries. It was announced that a Vermittlungsstelle W had been established. That was set up by Krauch and Knieriem. A Mr. Diekmann had an office in Berlin and worked on patent questions.
- Bu.
- Q.: Is that all you know about this Office ?
- A.: I had nothing to do with this Office.
- Q.: If the Wehrmacht required some information from you, did it approach this Office ?
- Bu.
- A.: If Mr. Thomas wanted to know anything, he called for me. It was the same with the Luftwaffe; the Luftwaffe had a liaison through Mr. Muedlich.
- Bu.
- Q.: What do you know about Dr. Reitinger ?
- A.: He was Ilgner's man. Dr. Reitinger was the man who dealt with statistics. He compiled lists and wrote reports.
- Bu.
- Q.: Did Reitinger work together with the Luftwaffe ?
- A.: I don't know.
- Q.: To what extent were you in touch with Ilgner ?
- A.: He was member of the Vorstand.
- Q.: Name some concrete cases.
- A.: South Eastern Committee (Suedostausschuss), he belonged to various companies.
- Q.: What do you know about his espionage activities, Schellenberg ?
- A.: I don't know anything about that.

(page 4 of original)

- Q.: Let us come back to "MOB". The Buna part is only one side of it. Who was responsible for MOB questions in the field of synthetic motor fuel ?
- A.: Krauch was, in fact.
- Q.: No, in the Works ?

(page 4 of original, sent'd)

A.: That would have been myself.

Q.: Were you never asked about it ?

A.: No.

Q.: Dr. Bustafisch, it's no use talking like that.

A.: Who was to ask me ?

Q.: You can imagine that I do not ask without knowing why.

A.: We only issued production plans.

Q.: What did you call them ?

A.: Production plans.

Q.: Did you call them plans for the MOB case ?

A.: That is possible.

Q.: Who was responsible for these questions in the field of synthetic motor fuel for Luene ?

A.: I was responsible.

Q.: What was the purpose of the "MOB" plans ?

A.: To state production figures in case Germany should be involved in a war. Every one responsible for production had to state: "what can you do, if ..."

Q.: Why were the Mob requirements constantly increased ?

A.: In order to make certain of an increased resistance power.

Q.: Because one felt war approaching ?

A.: In the case of fuel it was not obvious. Fuel consumption in Germany was enormous. Deliveries of synthetic and from our own production were very small. They were increased under the "self-sufficiency" plan. When it was asked, "What is required for MOB", the answer can only be: "Everything".

Q.: Were you present at meetings in which Krauch spoke about war ?

A.: No.

Q.: Did you speak to Krauch in connection with the production of synthetic gasoline ?

(page 4 of original, cont'd)

A.: He asked what the total production of aviation gasoline amounted to.

Q.: Did Krauch drop any hints that considerable quantities would be required at a certain date?

A.: No, I know nothing of that.

(page 5 of original)

Q.: Someone from his Staff?

A.: No, I wouldn't know.

Q.: Did Ungewitter make such intimations?

A.: That was Economic Group Chemical Industry.

Q.: Erdmann?

A.: I don't know him.

Q.: Anybody else?

A.: I wouldn't know. It must have been Thomas who said that we were ready to fight at any time. Herr Muecklich urgently insisted he wanted fuels with high anti-knock qualities.

Q.: What quantities?

A.: Quantities named were very big, practically unobtainable from us. Iso-Octane (Iso-Oktan), for example.

Q.: Was any date given by which certain quantities must be available? Think of 1938.

Bu. A.: Concerning Iso-Octane, there was the controversy in the Reich Air Ministry as to whether Iso-Octane or Aromatics was a suitable fuel and, owing to these discussions, the technical development of Iso-Octane fell behind, so that when war broke out, there were only a few thousand tons available; there was thus no date set for us.

Q.: Did you supply the WIFO?

A.: Aviation gasoline for the Wehrmacht.

Q.: Did they hold stocks?

A.: Yes, they had stocks.

Q.: How big were they?

TRANSLATION OF DOCUMENT No. NI-8637  
CONTINUED

(page 5 of original, cont'd)

Q.: That is beyond my knowledge. It was delivered to the WIFO direct from the works in tank-cars. Whether the stocks there consisted of 10,000 or 20,000 tons, I am not able to say.

Q.: Did you have storage depots in the I.G. ?

A.: We only had depots in Leuna, only depots for the manufactured stocks and some rented or leased alternative depots. The Standard Shell and Gasolin saw to the disposal.

- Here there was a pause of some minutes -

Q.: What would you describe as the aim of National Socialist economic policy ?

A.: I should say: It is planned economy under State control.

Q.: To what end ?

A.: To the end of subordinating everything to the requirements of the State, that is to say, no free economic activity, but economy to be dependent on policy. Policy has priority.

Q.: In what did the policy consist ?

(page 6 of original)

A.: It consisted, so far as it was at first understood, in the strengthening of the nation, on the assumption that a nation is independent within its own living space.

Q.: What for ?

A.: In order to become a stronger and more established State.

Q.: Further ?

A.: As it now appears, this national strengthening led to expansion, in certain circumstances with violence. Without doubt, however, it was not communicated to the people in that form. That was how they were led astray.

Q.: You know Goering's famous saying: "Guns ...

A.: "Guns are more necessary than butter". Certainly, it must be owned that a State is only strong in itself if it is secured against its neighbours, that is to say, when it can conduct its policy without fear of attack, without the intervention of a third party. That was in all probability the opinion of the leaders.

Q.: Would you say that the aim was so to strengthen the Wehrmacht as to be able to win an unlimited living space ?



(page 6 of original, cont'd)

A.: I should not have assumed that; I should have thought that it was to strengthen it so that the living space already possessed could be defended.

Q.: And then ?

A.: That is the aim which I hold to be reasonable.

Q.: And when did you realise that that was not the official aim ?

A.: I must say I was surprised; I always said it was going too far and showed how little the other side - the leadership of the national-socialist movement - knew about it and how they under-estimated the power of the others.

Q.: When did it first become clear to you that the aim of the national-socialist economic and military policy was an absolute self-sufficiency in Germany ?

A.: It dawned on me during the years 1936/37, when they spoke always about "self-sufficiency", whereas we said that this, as such, was an obstruction in the way of every kind of development, that free exchange was the only ...

Q.: When did it become clear to you that the military policy was an aggressive policy ?

A.: I was surprised, when steps began to be taken to realise this aim.

Q.: When ?

A.: With the invasion of Poland.

Q.: Not 1938 ?

A.: I regarded Austria as a political step.

Q.: Czecho-Slovakia ?

A.: I said then that this was an act that looked like sheer violence that it was scarcely a policy of security and that it looked like the lust for power. Even though it was said it was a political action, taken in order to bring about a good understanding with Czecho-Slovakia.

(page 7 of original)

Q.: Did you realise that Czechoslovakia would only be the first chapter ?

A.: My opinion was and still is that they used bluff, and I said: "Now he will leave it alone".

TRANSLATION OF DOCUMENT No. NI-8637  
CONTINUED

(page 7 of original, cont'd)

Q.: Then it began with Poland.

A.: When the abrupt invasion of Poland took place, it was as if scales had fallen from my eyes.

Q.: I mean the preparation.

A.: These matters were presented to us powerfully through the press, where Hitler said, "I only want the path to the Corridor".

Bu. Q.: Was it not clear to you that it was not a question of the Corridor, but of Poland? The atrocities that were featured in the press had nothing to do with the Corridor.

A.: With regard to the atrocities, I thought it did not seem quite to fit in.

Q.: Then you received the telegram on the 26 August 1939 from the Vermittlungsstelle W?

A.: It was then clear to us that there would apparently be a resort to arms.

Q.: Measures that concern the direction of an army are events that cast their shadows before?

A.: Not absolutely. Fischer rang me up and said it would not come to war, it would all be arranged.

Q.: Can the mobilization of economy for total war be countermanded?

A.: I must say, we did not have any very great change, we merely continued to manufacture gasoline.

Q.: I am talking of the IG.

A.: As regards the IG as a whole, I am of the same opinion, there was no armaments preparation.

Q.: It was a complete regrouping.

A.: There existed a program to close down Ludwigshafen.

Q.: What do you know about that?

A.: I only know that Ludwigshafen received a telegram.

Q.: When?

A.: On 1st or 2nd September 1939 - the works were to be closed down.

TRANSLATION OF DOCUMENT No. NI-8637  
CONTINUED

(page 8 of original, cont'd)

A.: First came the Mobilization order on the 28 August; at that time I did not know anything about Ludwigshafen. Some days later, I heard about it, but whether before or after the 3.9. —

Q.: The 3 September was a Sunday; were you in your office ?

A.: In Louna, in any case. We were of course at the Works every Sunday morning. It is also not the case that they would have informed us of it immediately; we learned of it afterwards, that is why I am not able to say.

Q.: On 28 August, your local Military District Commander informed you that the Mobilization Project was impending and at the same time it was stated that the Mobilization production was to begin. What agency was it that issued the order — the President of the Province (Regierungs-Präsident) or the Military District Commandant (Wehrkreis-Beauftragte) ?

A.: It may have been the President of the Province who issued it.

Q.: What did he issue to you — a telegram ?

A.: That I am not able to say, it went direct to Schneider. In any case, it was announced on 28.8 or 29.8.

Q.: Who was present ?

A.: The Departmental Managers, so far as I know.

Q.: How many were there ?

A.: Perhaps altogether 20 gentlemen.

(page 9 of original)

Q.: What did Schneider say ?

A.: "The Mobilization project is in force, and you must direct the production in your works and the output of work-people in accordance with it."

Q.: Did he give any sort of personal explanations ?

A.: He did not make any speech.

C.: No speech —

A.: He said that everybody must quietly perform his duty, that it was now war and that he expected from everyone that he would stay at his post.

(page 9 of original, cont'd)

Q.: On the 28.8. you were under the impression that this only meant war with Poland ?

A.: Yes, but I must say that, in view of the reports on the 29. of the Re-insurance Treaty of Beck (the General of Poland), I said that it was questionable whether England and France would permit it.

Q.: What happened on the 29.8. ?

A.: Was there not in the press an offer of mediation by England to compose the matter ? That happened in the meantime when Hitler said "I will not allow myself to be dictated to".

Q.: Did you expect war with England on the 29. ?

A.: I must say that when Hitler said that and knocked away the ground from under the political negotiations, I said: this means war, how can a man give so abrupt an answer !

Q.: When did the Ludwigshafen telegram arrive then ?

A.: That remark was made, I think, on the last day of August, and then I heard, if I am to take the matter chronologically, that Ludwigshafen was to be closed. It is possible that I heard this on the 1. or 2. September, 1939.

Q.: You said on 29. or 30.8.

A.: I don't think so.

Q.: I wish to know, whether before or after 3.9.

Q.: Were any further meetings held in Leuna on the 29. and following days owing to the outbreak of war ?

A.: Certainly separate meetings in the departments.

Q.: The departmental managers with their subordinates ?

A.: The departmental managers called their plant managers (Betriebsleiter) together and transmitted to them the words of Schneider.

Q.: How many plant leaders (Betriebsfuhrer) were there ?

A.: 50 or 60.

Q.: 20 departmental managers and 50 or 60 plant leaders (Betriebsfuhrer) ? These were informed in their departments on 28. August 1939 that war had broken out?

A.: Yes.



(page 10 of original)

Q.: What did the Betriebsfuehrer do, on their part ?

A.: They called together the work chiefs, the head foremen (Obermeister) and foremen (Meister) and will certainly have communicated to them what Schneider had said, whereupon they would have had at once to examine their lists to find out who would be drafted - there were red, yellow and green slips - who had to report without awaiting orders; this all had to be settled. After that, detailed work would begin.

Q.: Is it correct to say that on 28 August 1939 all employees of the Leuna plant realized that "this means war" ?

A.: I would say on 29 August. It would not all have been possible to settle up everything so quickly, we had shifts of 8 hours each.

Q.: When war broke out, would still another order have been issued to Leuna by the Wehrmacht or by the President of the Province (Regierungspraesident) ?

A.: At any rate, the one ordering all protective measures to be taken all arrangements to be made, in case Leuna should be attacked.

Q.: That was on 3.9.

A.: When war broke out, on 1.9., it was already war.

Q.: No further orders concerning production were issued after the 28.8. ?

A.: That changed, when it was said ...

Q.: Of a fundamental nature

A.: No. That only came later, when new productions were started.

Q.: Were you aware of the fact on 28 August 1939 that the aim of National Socialist economic policy was the industrial preparation of Germany for a war of aggression ?

A.: Yes.

Q.: Do you think the Wehrmacht could have conducted the war without synthetic gasoline ?

A.: No, it could not have done so without nitrogen, without gasoline, without Buna. That I consider is impossible.

Q.: Do I understand your answer to mean that the war could not have been conducted without IG-production ?

A.: Yes, that is clear, but you single out IG - there were other products that could not have been done without, either.

(page 10 of original, cont'd)

Q.: What was Hitler's motive when he took the gasoline industry under his special protection ?

A.: In my opinion, it was in the first place purely the desire for self-sufficiency, to be to a large degree independent of foreign fuels and to abolish unemployment.

Q.: What was Bosch's motive, when in 1932 he approached Hitler through you and Gattineau ?

(page 11 of original)

A.: Bosch's motive was to keep what seemed to him a highly promising development in the field of high pressure synthesis from being smashed.

Q.: Why did he choose Hitler as an indirect partner in the negotiation ?

A.: In my opinion, Hitler was not his negotiating partner, but Bosch had to fight the press of many parties, who strongly opposed the development of synthetic fuel. He said: "They want to kill something which I consider for the general good".

Q.: Did Bosch commission you to go to Hitler ?

A.: Gattineau must have telephoned him that I would probably be in the position to give technical information. I was to go there at Bosch's request.

Q.: What did Hitler promise at the time ?

A.: He said only: "I shall see to it that such articles do not appear in my press any more".

Q.: Did he say: I expect IG to behave decently toward the Party ?

A.: No. Not a word about that. There was never any talk about politics at all, which I considered very fair.

Q.: At the time, he needed money badly.

A.: Yes. That may be, but there was not a word about it.

Q.: And Hess ?

A.: Not one word.

Q.: Did Gattineau give any hints ?

A.: After Hitler said: "That is my conception of it", I was asked about the technical aspects of coal hydrogenation. I gave the explanation and that was all.

TRANSLATION OF DOCUMENT No. NI-8637  
CONTINUED

(page 11 of original, cont'd)

Q.: What did you talk about with Hess ?

A.: He told me of his flight over Garmisch, the exertions it took and so on.

Q.: The matter in question was not discussed with Hess ?

A.: No.

(page 12 of original)

Q.: Did you communicate this to Bosch ?

A.: Yes, verbally. I said that I had given the technical aspects of the matter and that Hitler had said, that he would see to it that no more such attacks appeared in his press. For the rest, he said that he considered the development sound and if gasoline could be made from coal it should be pursued.

Q.: What did Bosch say ?

A.: "Then the man is more sensible than I thought".

Q.: Did Bosch say that one ought to show one's gratitude ?

A.: No.

Q.: In connection with this discussion was anything done to show a more friendly attitude toward the party by IG ?

A.: Not as far as I know. That would have been Bosch's concern.

Q.: How large were the investments in the field of synthetic fuel up to that time ? Altogether ?

A.: Expenditures must have amounted to approximately 300 Millions.

Q.: Does it not seem probable to you that if a politician makes a statement which will bring in 300 Millions, one does something in return ?

A.: In my opinion Bosch never looked at it from that point of view.

Q.: What did Hitler promise ?

A.: He merely promised to stop the articles attacking the synthetic gasoline production, because "if gasoline is already being produced in Germany, the manufacturers ought to receive their costs for it"; by costs he meant payment at current prices.

TRANSLATION OF DOCUMENT No. NI-8637  
CONTINUED

(page 12 of original, cont'd)

Q.: He not only said that the attacks would be stopped but he also said that he needed gasoline? That meant therefore that the economic policy of National Socialism would give financial support to industry for synthetic gasoline production?

A.: You can say the same for quite a number of products.

(page 13 of original)

Q.: How did you interpret Hitler's statement that he considered synthetic gasoline production in Germany economically desirable?

A.: That it is right to produce from German raw materials anything that could possibly be produced, provided it is economically practicable. From the financial point of view, considering the foreign exchange situation existing in the Reich ---

Q.: What caused Hitler to abandon his hostile attitude toward IG which he expressed in the first edition of "Mein Kampf"?

A.: In my opinion, he realized that an economy cannot be run without the rational work of the industrial combines, that it does not do to put everything under state control.

Q.: Because of your lecture?

A.: Because of my lecture? - He probably realized it in general, not because of my lecture.

Q.: Did he demand any production promise from IG?

A.: No.

END

I have carefully read each of the 13 pages of this affidavit and signed it, have made the necessary corrections in my own handwriting and have initialed them and declare under oath that I have told the truth in this interrogation to the best of my knowledge and belief.

(Signature) Heinrich BUETEFISCH  
Dr. HEINRICH BUETEFISCH

(Signature) Otto HEILBRUNN  
Dr. OTTO HEILBRUNN  
Interrogator

(Signature) Elly WUNDERLICH  
ELLY WUNDERLICH  
German Court-Reporter

Nuernberg, 30 April 1947



TRANSLATION OF DOCUMENT No. NI-8637  
CONTINUED

CERTIFICATE OF TRANSLATION

1 July 1947

We, Victoria ORTON, No. 20129, and Anne MARTIN, No. 20144, hereby certify that we are thoroughly conversant with the English and German languages and that the above is a true and correct translation of the document No. NI-8637.

Victoria ORTON  
No. 20 129

Anne MARTIN  
No. 20 144

Benzin - Contract.

Der Reichswirtschaftsminister  
(Reich Minister of Economics)  
I A 17696/33

Der Reichsminister der Finanzen  
(Reich Minister of Finances)  
F. 6523 - 14 I

Berlin, 14 December 1933

To

Ammoniakwerk Merseburg G.m.b.H.

Leuna.

Gentlemen:

In connection with the contract concluded today between the Reich, represented by the Reichswirtschaftsminister and the Reichsminister der Finanzen on the one hand, and the Ammoniakwerk Merseburg GmbH on the other hand, we confirm that by reason of this contract Ammoniakwerk Merseburg GmbH does not take on the character of a subsidized enterprise in the sense of the Decree of the Reichspräsident for the Pruning of Economy, Part IV, Chapter V (Reich Gesetzblatt I (Reich Law Gazette) pages 425, 431) dated 4 September 1932.

Der Reichswirtschaftsminister  
Signed: G. FEDER (Acting)

Der Reichsminister der Finanzen  
Signed: v. KROGIGK

I.G. FARBENINDUSTRIE AKTIENGESELLSCHAFT

Berlin NW 7  
Unter den Linden 78  
14 December 1933

To the

Reichswirtschaftsminister  
(Reich Minister of Economics)

Berlin W. 35.

Viktoriastrasse 34.

Sir:

In connection with the contract concluded today between the Reich, represented by the Reichswirtschaftsminister and the Reichsminister

TRANSLATION OF EXTRACT OF DOCUMENT  
NO. NL-881  
Cont'd

der Finanzen, on one hand, and Ammoniakwerk Merseburg GmbH, on the other hand, this is to confirm to you that this contract meets with our approval and that we accept the stipulations according to articles 3 and 6 as binding upon us.

Yours very truly,

I.G. FARBEINDUSTRIE AKTIENGESELLSCHAFT

Signed: BOSCH      Signed: H. SCHMITZ

C o p y .

In connection with the conclusion on 14 December 1933 of the contract between the Reich represented by the Reichswirtschaftsminister (Minister of Economics) and the Reichsminister der Finanzen (Minister of Finance), on the one hand, and Ammoniakwerk Merseburg G.m.b.H., on the other hand, the following

a r b i t r a t i o n   c o n t r a c t

is concluded:

To the extent that litigations between the parties refer to provisions of Articles 4, 8 or 9 of the contract or to agreements as yet to be reached relative to Article 8, these litigations shall be decided by an arbitrator under exclusion of the normal legal procedure. In case the two parties should not agree on a certain person the arbitrator is being appointed by the President of the Reichswirtschaftsgericht (National Economic Court) upon the proposal of one of the two parties and after hearing the other party.

Arbitration procedure provides for a counter-plea (Widerklage) or a plea setting-off the original claim (Aufrechnung) only if - according to the arbitration clause - the decision on the counter-claim asserted by the counter-plea, or by the plea setting-off the original claim is within the purview of the competence of the Court of Arbitration.

As regards the decision on the costs, the court of arbitration must decide by the principles of the Code of Civil Procedure (Articles 91 and following, of the Code of Civil Procedure).

This arbitration clause becomes void for the case of litigation in question, if an agreement on the value of the object in dispute and as to the amount of the arbitrator's fees is not reached among the parties themselves and with the arbitrators within three months. This term begins with the date on which one party for the first time submitted to the other party definite proposals on the value of the object in dispute and on the amount of the arbitrator's fees, with the request that the other party make a declaration within 3 months in order to avoid legal procedure according to the first sentence of this paragraph.

The Reichsminister der Finanzen has at the same time given his consent to this Agreement according to Article 1 of the Law of 10 October 1933 (Reich Law Gazette I, Page 722) for the Settlement by Arbitration of Controversies of the Reich and the States (Laender), which come under civil law.

Berlin, 22 January 1934.

Der Reichswirtschaftsminister (Reich Minister of Economics)  
Signed: G. FRIEDER (Acting)

Der Reichsminister der Finanzen (Reich Minister of  
by order: Finances)  
Signed: Dr. OLSCHNER

Ludwigshafen (Rhein), 17 January 1934

Ammoniakwerk Merseburg  
Gesellschaft mit beschränkter Haftung  
Signed: v. KERNER Signed: (per) WEISS.

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B e t w e e n

the Reich, represented by the Reich Minister of Economics (Reichswirtschaftsminister) and the Reich Minister of Finances (Reichsminister der Finanzen)

a n d

Ammoniakwerk Merseburg G.m.b.H. (Ammoniakwerk) the following c o n t r a c t  
is concluded:

Article 1.

(1) Ammoniakwerk pledges itself to enlarge the installations for the production of synthetic benzine at Leuna to such an extent that within the period of 1 July 1934 to 31 December 1934 a production of minimum 80,000 tons will be reached and by 31 December 1937, at the latest, a production of 300,000 tons as a minimum, and of 350,000 tons as a maximum, as applied for the year.

(2) Ammoniakwerk pledges itself to keep up this production for the duration of the contract (Articles 2,3) and to take steps for further developing the process which is applied.

(3) The benzine manufactured by Ammoniakwerk must be of a good, marketable quality.

Article 2.

For benzine produced after 1 July 1934 in quantities according to Article 1, the Reich guarantees to Ammoniakwerk for the duration of 10 years, i.e. until 30 June 1944, a price in marks which corresponds to the costs of production (guarantee price, Article 4).

(Page 2 of original)

Article 3.

(1) The Reich pledges itself to take measures for the sale of the quantities of benzine manufactured according to Paragraph 1 during the period of 1 July 1934 to 30 June 1944 to the extent that the sale is not possible by way of Deutsche Gasolin Aktiengesellschaft, Berlin, and within the scope of



contracts in force at the time the contract is being consummated by way of I.G. Farbenindustrie Aktiengesellschaft for Ammoniakwerk on the one hand, and by way of Standard Oil Company New Jersey for its subsidiary, the Deutsch-Amerikanische Petroleum Gesellschaft, Hamburg, and Royal Dutch Shell for its subsidiary Rhenania-Ostsee Mineraloelwerke Akt.Ges., Hamburg, on the other hand.

(2) Ammoniakwerk is entitled to sell the quantities of benzine produced - entirely or in part - by way of sales agencies other than the ones mentioned in paragraph 1, provided this does not result in a reduction of the ex-works proceeds for Ammoniakwerk; contracts which provide for a sale under terms less favorable than the terms according to paragraph 1 and 2, sentence 1 - are subject to the approval of the Reich Minister of Economics in order to become effective.

(3) The obligation of the Reich according to paragraph 1 exists only if Ammoniakwerk proves that the quantities of benzine as per paragraphs 1 and 2 are not marketable and that it is no fault of its own.

(Page 3 of original)

Article 4.

(1) The guarantee price is understood per 100 kgs ex Ammoniakwerk, placed aboard tank cars. For the first year of the contract the guarantee price according to the meaning of Article 2 amounts to 25 Reichsmarks per 100 kgs.

(2) The guarantee price is to be agreed on annually during the first three years and thereafter every two years, on the basis of a re-examination. In that respect modifications which in the course of the last period of time occurred in the process and in the technical equipment of similar enterprises, should be taken into consideration to the extent that these improvements are available to the plant and that their application by the plant can be demanded by reason of the situation prevailing.

(3) A renewed stipulation of the production costs can be requested by each of the two parties independently of the periods of time mentioned in paragraph 2 if for reasons on which the manufacturer has no influence the production costs rise or go down by more than 5%.

(4) The Reich Minister of Economics is authorized to carry through the re-examination according to paragraph 2 by a public auditor or by another delegate not coming into consideration as competitors. Ammoniakwerk is obligated to give the necessary information and to put the pertinent data at the disposal.

(Page 4 of original)

(5) The production costs must make allowance for reasonable depreciation and the payment of 5% interest on the investment capital.

Article 5.

Every three months the Ammoniakwerk provides proof to the Reich as regards the proceeds, ex plant, derived by it from sales effected by the sales agencies according to Article 3. If after deduction of the mineral oil tax and the alcohol charges, the proceeds are below the guarantee price the Reich refunds the differential; on the other hand, if the proceeds are higher the Ammoniakwerk pays the amount of the differential to the Reich.

TRANSLATION OF EXTRACT OF DOCUMENT  
NO. NL-881  
Cont'd

Article 6.

I.G. Farbenindustrie Aktiengesellschaft has pledged itself towards the Ammoniakwerk to make use of its contractual rights for examination towards the sales agencies, incidental to the settlement of accounts for the proceeds, and to place the examination report together with the vouchers at the disposal of the Ammoniakwerk.

Article 7.

The Reich Minister of Economics is authorized to make at any time an inspection of such sections of Ammoniakwerk as are connected with the production of benzine and to audit the accounting for the proceeds according to the directions of Article 4, paragraph 4.

The Rechnungshof des Deutschen Reichs (Supreme Auditing Court of the Reich) has authority for examination according to the meaning of the Reichshaushaltsordnung (State Budget Rules) Article 45 c.

(Page 6 of original)

Article 8.

Directives for the establishment of the production costs according to Articles 2 and 4, Paragraphs 2 and 3, and a calculation pattern, as well as instructions on the details of the computation of the proceeds and the accounting on differential amounts (Article 5), are being attached to this contract as an appendix constituting an integral part of this Contract.

Article 9.

If while the contract is in force a legal adjustment affecting the mineral oil company takes place which has bearing on the contract situation, each of the parties is entitled to demand an adaptation of the legal status to such law regulations, with the provision that placing any of the parties at a disadvantage must be avoided.

Article 10.

For litigations arising out of this Contract the Landgericht (District Court) Berlin is the competent court.

Article 11.

Ammoniakwerk pays the fees incidental to this Contract (stamps etc.).

Berlin, 14 December 1933.

The Reich Minister of Economics  
Signed: G. FEDER (Acting)

Ammoniakwerk Merseburg  
G.m.b.H.

The Reich Minister of Finances  
Signed: v. KROGIGK

Signed: BOSCH

Signed: H. SCHMITZ

TRANSLATION OF EXTRACT OF DOCUMENT  
NO. NL-881  
Cont'd

CERTIFICATE OF TRANSLATION

I, HERTEA C. KNUTH, AGO NO. X-046355, hereby certify that I am thoroughly conversant with the English and German languages; and that the above is a true and correct translation of Document No. NL-881.

HERTEA C. KNUTH  
U.S. Civilian  
AGO NO. X-046355

END

TRANSLATION OF DOCUMENT NO. HI-319  
OFFICE OF CHIEF OF COUNSEL FOR THE CRIM

C o p y

I.G. Farbenindustrie  
Aktiengesellschaft (Inc.)

Frankfort-on the Main, 14 Dec. 1933  
Berlin

To the

Reich Minister of Economic Affairs,

34 Viktoriastrasse

Berlin W 35

Sir:

In connection with the agreement concluded today between the Reich - represented by the Reich Minister of Economic Affairs and the Reich Finance Minister - on the one hand, and the Kammerwerke Hersoburg G.m.b.H. (translator's note: Kammerwerke, Hersoburg, limited liability) on the other hand, we confirm to you that this agreement meets with our approval and that we accept the provisions as per paragraphs 3 and 6 as binding for us.

I.G. Farbenindustrie  
Aktiengesellschaft (Inc.)

(Typed) sig. Bosch

sig. Schmitz

RZ 14390

CERTIFICATE OF TRANSLATION

I, HERTHA C. KNUTH, AGO No. X-046355, hereby certify that I am thoroughly conversant with the English and German languages; and that the above is a true and correct translation of document No. HI-319.

HERTHA C. KNUTH,  
U.S. Civilian,  
AGO X-046355

END



RE. Rg. 14390. <sup>II</sup>

Berlin, 10 January 1934.

1.) N o t i c e

Undersecretary FEDER has expressed the request that the attached copy of the mineral oil agreement concluded between the German Reich and the I.G. Farbenindustrie be submitted to the Reich Chancellor with the request to take notice.

2.) Submitted to

the Under Secretary.

(Translator's Note: Handwritten initial)

- 1) (Translator's note: Stamp:)  
The Reich Chancellor has taken notice
- 2) (Translator's Note: Handwritten notation)  
Submitted for information

(Translator's Note: Handwritten initials):

L. 13 (Lammers, 13 January)

V. (Translator's note  
z.d.A. (disposition: file)

W. (Willuhn)

Bergw. 6

(translator's Note: Handwritten initial:)  
W 15/1 (Willuhn)

CERTIFICATE OF TRANSLATION

I, HERTHA C. KRUTH, AGO No. X-46355, hereby certify that I am thoroughly conversant with the English and German languages; and that the above is a true and correct translation of Document No NI-520.

HERTHA C. KRUTH  
U.S. Civilian  
AGO No X-46355

( E N D )

AFFIDAVIT

I, Dr. Botho Mulert, Regierungsrat in the Reich Ministry of Economics from 1922 until 1925, Oberregierungsrat there from 1925 until 1930, Ministerialrat in the same Ministry from 1930 until 1938 and Ministerialdirigent there from 1938 until 1944, now living at Minden/Westphalia, Bachstr. 44, after having been warned that I shall be liable to punishment for making a false statement, herewith declare the following under oath of my own free will and without coercion:

Having taken over the Bergius Patents, I.G. Farben developed its hydrogenation process and made practical use of it at Louna about 1927. As far as I knew this plant was built to produce 100,000 tons to begin with, but very soon yielded considerably more owing to a number of improvements of the process.

The German Mineral Oil situation was as follows:  
The home production of mineral oil mainly concentrated in the Hannover area, produced quantities, which were quite inadequate for a steadily growing demand in Germany, as well as elsewhere. Consequently, Germany had to rely mainly on the import of finished products or on the refining of imported crude oil. Apart from the feed imports, the foreign currency to be expended for this purpose, occupied a prominent position.

The cost price of I.G. gasoline amounted, as far as I remember, to 1 below RM -.30 per kg, whereas the price of natural gasoline was about RM -.06 on the world market. On the introduction of hydrogenation and synthesis, therefore, the import customs duty on gasoline which had been until then a revenue, assumed the character of a protective tariff.

\*process I.G. spent, as far as I knew, hundreds of millions on the development of the hydrogenation\*. The investment of further millions in building up the hydrogenation was fraught with greatest risk for I.G., so long as no guarantee was given to them that the protective tariff would remain in force or alternatively, unless an agreement was concluded with the Reich guaranteeing sales.

(page 2 of original)

As the Reich was not willing to make any promises regarding continuance of the protective tariff, as it had to reserve to itself full freedom of action in the field of trade policy, the Reich gave a guarantee to I.G. for the sale of the production at prices, which covered the cost of production and return on capital. The Reich undertook to cover any loss appearing in the settlement of accounts on this basis. On the other hand I.G. Farben undertook to remit any surplus shown in the final settlement to the Reich Treasury.

Similar agreements guaranteeing sale, were later on concluded with other Hydrogenation Plants by the Reich Ministry of Economics.

TRANSLATION OF DOCUMENT No. NI-9477  
CONTINUED

(page 2 of original cont'd)

I have carefully read each of the 2 (two) pages of this declaration and countersigned them with my own hand, I have made the necessary corrections in my own handwriting and initialled them with the first letters of my name and I herewith declare under oath that I have told the pure truth in this declaration to the best of my knowledge and belief.

signature: DR. BOTHO MULERT  
DR. BOTHO MULERT

Sworn to and signed before me this 11th day of August 1947 at the Palace of Justice, Nurnberg, Germany, by Dr. Botho Mulert, known to me to be the person making the above affidavit.

signature: DR. OTTO HEILBRUNN  
DR. OTTO HEILBRUNN  
ETO 30140  
Office of Chief of Counsel  
for War Crimes  
US War Department.

--- CERTIFICATE OF TRANSLATION ---

26 August 1947

I, LEONARD LAWRENCE, ETO-20138, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of the document No. NI-9477.

LEONARD LAWRENCE, ETO-20138.

FROM PLANT TO PLANT

Monthly of the Plant Community of I.G. Farbenindustrie  
Aktiengesellschaft.

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Table of Contents 1938

Ludwigshafen Edition

(Page 2 of original)

From the life of our plant community.

March 1938

L e u n a celebrates the day of the taking-over of power.

GAUPROPAGANDALEITER (Gau Propaganda Chief) M A U L speaks.

As everywhere in the German fatherland in our plant, too, the fellow laborer marched up for a plant meeting on 31 January in order to commemorate in unison the day on which 5 years ago, our great FUEHRER grasped the helm of the state with a strong hand thus pulling back the German people from the precipice in the last hour. The meeting took on special significance because GAUPROPAGANDALEITER (Gau Propaganda Chief) MAUL intended to make an address to the office and plant staff.

Because of the untoward weather the meeting this time had to take place in doors, so that only a part of the office and factory staff could have the actual experience of attending the celebration in the south hall of the cafeteria, while it was transmitted by loudspeaker to the rest. On entering the spacious hall of the cafeteria a surprising display of festivity presented itself to the eye of the fellow workers. The whole background of the speaker's desk, framed by wonderful flowers, was draped with flags,



enlivened by green garlands, and above the emblem of the DAF (Translator's note: Deutsche Arbeitsfront - German Labor Front) the Fuehrer's picture is seen, painted by fellow-laborer KILL. The celebration began when the banners were carried in. Betriebsobmann (DAF's liaison man) Pg. (Translator note: Parteigenosse - Party member) FAUST opened the meeting and thanked Gaupropagandaleiter MAUL very much for his presence. Acting for the absent staff leader,

Director Dr. BUETEFISCH

then began an address of which we give here the essential thoughts. He began the recalling the terrible time of unemployment during which our proud works, too, would almost have been brought to a stand-still. Until, finally, the FUEHRER appealed to all Germans to contribute their part to the uplifting of our people; until he restored to us the freedom to create the freedom to work.

"I do not forget the day of the year 1933", Dr. BUETEFISCH went on, "when, I could accept from the Reich Government in Berlin the order now to proceed and expand with all possible energy the production of benzine, which for reason inherent in political economy could not be fully development prior to the taking-over of power. From that day on we find ourselves in this invariably great experience of expanding our industry, in a measure heretofore unknown".

(Translator's note: follows illustration and underneath legend: Director Dr. Bueteffisch during his address).

(page 3 of original)

Citing several examples, Dr. Bueteffisch recounted, how each of the last five years means an important step in the development of our plant. The increase in manufacture kept in step with that of our employees. He recall the time which will be lastingly remembered by all when new energies came to life in the plant, when machines, apparatus and work-benches which had been idle for years, were put to operation again. Everybody has had his share in this reconstruction. It does not matter which place he holds in

this big plant, important is only the fact that he carries out his duty at his place. It must fill us with pride to help supporting one of the pillars to our economic life. And yet this very pride should make us realize how small the work of each one, individually is, even how insignificant the work of all of us if we consider the reconstruction work as a whole which is forming our native country anew. We then also will come to understand that the accomplishment of each one individually, and with it the total accomplishment of the German people in these five years of restoration cannot be estimated in material values.

" The question as to the value of your work ", so concluded Dr. Bueteufisch, "you yourself can best answer because, if you have performed the work in the spirit and according to the meaning of our Fuehrer, if in your work with every operation your hand performs and with every thought you are honestly convinced to do all of this merely in order to help build our German Fatherland, then this must fill you with pride and satisfaction. In this spirit and in this adjustment to the high goal, we clasp each other's hands as fellow-laborers and we promise that after these five years of development and regeneration we shall not fold our hands in our lap, but pledge ourselves to continue contributing all our strength in honest work for the benefit of our German Fatherland.

Vivid applause thanked Dr. Bueteufisch for his speech, with made all of us realize with how much pride we can look back and see the achievements made in our plant during the past five years. -

GAUPROPAGANDALEITER (Gau Propaganda Chief) MAUL then stepped up to the platform, vividly cheered by all fellow-laborers.

CERTIFICATE OF TRANSLATION.

I, HERTHA C. KNUTH, AGO No. X - 046355, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of Document No. NI - 6530.

8 July 1947

HERTHA C. KNUTH  
AGO No. X - 046355.

Meeting of the management at Ludwigshafen on Rhine

1934/Hr.17

on 4 July 1934.

Persons present: GAUS as chairman, v.KHIERIM, SCHIEL,  
FAHRENHORST, HOLDEN, J. KELLER, L. PPE,  
Handwritten: MEHNER, WEISS, AMBROS, BAUMANN, FESS,  
(red pencil) GRIMM, KUNZ, PFLAUER, STEINIG, SANTO  
For Dr. STRUSS! temporarily;  
Absentees: KLAUCH, STROEBELE, EYHME, TURSTER.

- 1) Herr SANTO explained the plans for the conversion of the timber-  
yard, which will be vacated, and the immediate surroundings of  
the plant.
- 2) According to Herr GAUS the organization of production plants in  
Ludwigshafen will in future be as follows:

Group I : Dyes Department chief: Dr. MEHNER  
Deputy: Dr. PFLAUER

|                   |        |             |
|-------------------|--------|-------------|
| a) Alizarine dyes | Chief: | Dr. PFLAUER |
| b) Azo dyes       | "      | Dr. HOLZACH |
| c) Triphenyl dyes | "      | Dr. WINTER  |
| d) Indigo         | "      | Dr. STROH;  |

Group II : Intermediates solvents  
and synthetics.

Department chief: Dr. AMBROS  
Deputy: Dr. STEINIG

a) Solvents and synthetics

Chief: Dr. STEINIG

b) Intermediates " Dr. BAUMANN;

Group III : Inorganic products.

Department chief: Dr. TURSTER  
Deputy: Dr. PFENNERUELLER.

Dr. SEIDELS' deputy is dr. MEHNER.

- 3) Herr GAUS and Herr SEIDEL report on the last meeting of the  
technical committee.
- 4) Herr MEHNER reports on the fire in the Anthraquinone building.

TRANSLATION OF DOCUMENT No. NI-4885  
CONTINUED

(page 1 of original, cont'd)

- 5) The Congress of Doctors and Biologists to be held at Hannover from 16 - 20 of September will be attended by the usual number of delegates.
- 6) Discussing a specific case Herr GRUBER spoke on invention awards.
- 7) Herr GAUS reported on his visit to the Chancellors' economic adviser, Herr KEPPLER, and read a letter, written to him by Herr KEPPLER subsequent to this visit, on the subject of substitutes for foreign raw materials. A list is to be compiled by the various departments within 14 days, indicating the quantity of such substitutes either already in stock or in production.

Signed: GAUS

.....

CERTIFICATE OF TRANSLATION

10 June 1947

I, John FOSBERRY, No. 20179, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of the document No. NI-4885.

John FOSBERRY  
No. 20179

- 2 -  
"END"



.....  
( page 26 of original )

6/8 October 1934

Supply of German Requirements in Mineral Oil.

Principal Lines of Thought.

An augmentation in home production should to a very large extent eliminate dependence on imports and support the desired increase in motor traffic in Germany, so that the latter would not have to be constricted by the necessity of saving in foreign exchange.

Up to 1937/38, inland production, both for the supply of normal home requirements ( G.D. ) and for supply of A-Fall requirements ( R.D. ) should be increased to the highest possible extent.

For reasons of economising in Foreign Exchange, the next most important thing is the production of higher grade mineral oils.

An increase in inland production would naturally not be able to do more than cover the normal home consumption of the mineral oil ( G.D. ) concerned.

The deficiency for the A-Fall is shown as the difference in the inland production, increased up to 1937/38 ( R.D. ), plus the stocks available at home in the transit warehouses of the industry ( R.D. ) ( These stocks are not specially taken into account for the supply of normal requirements ).

The quantities still deficient for A-Fall requirements are to be secured by additional warehousing and corresponding import up to the dates set ( 1.4.35 and 1.4.37 ).

The A-Fall requirement includes the constricted requirements of industry in the A-Fall.

.....

TRANSLATION OF EXCERPTS FROM DOCUMENT No. NI-7295  
CONTINUED

( 45th page of original )

( page 17 of original )

Summary

The following assured increase of inland production is included in the new calculations:

|               |                          | <u>Normal<br/>Fall</u> | <u>A-Fall</u> |                         |
|---------------|--------------------------|------------------------|---------------|-------------------------|
| Up to 1937/38 | <u>Leuna</u> light Fuels | 425                    | 405           | }<br>( cf.<br>page 3a ) |
|               | <u>Oppau</u> " "         | 70                     | -             |                         |
|               | <u>Scholven</u> " "      | 150                    | 120           |                         |

For New Production the following figures are set down:

|                                |     |     |                         |
|--------------------------------|-----|-----|-------------------------|
| <u>Helmstedt</u> " "           | 350 | 350 | }<br>( cf.<br>page 4a ) |
| <u>Hueckenberg</u> light Fuels | 270 | 270 |                         |

The tables given on pages 5 and 7, as well as the General Surveys on pages 15 and 16, show:

For the Normal-Fall

that up to 1937/38, it will be possible to supply up to about 90% of normal requirements in Gasoline or light propellant fuels respectively by home production. Requirements in aviation gasoline ( some 5% of gasoline requirements ) must be imported fully. There is no increase in home production of other mineral oils, so that for 1937/38, requirements are covered to the following extent:

|  |          |     |                               |
|--|----------|-----|-------------------------------|
| Gas oil  | to about | 15% |                               |
| Lighting oil   | to about | 35% |                               |
| Heating oil  | to about | 57% |                               |
| Motor oil  | to about | 27% |                               |
| Aviation motor oil   |          | -   | ( must be entirely imported ) |
| Lubricating oil  | to about | 17% |                               |
| <u>Necessary investment for new plants</u>   |          |     | about 275 mill. RM            |
| <u>Further necessary current foreign exchange requirements for import from 1937/38 onwards</u> |          | "   | 120 mill. RM yearly           |
| <u>Foreign Exchange economies achieved ( figures of new production )</u>                       |          | "   | 25 mill. RM "                 |

TRANSLATION OF EXCERPTS FROM DOCUMENT No. NI-7295  
CONTINUED

( 45th page of original, cont'd )

( page 17 of original, cont'd )

For the A-Fall:

I) On securing of the A-Fall requirements up to 1.4.35 and 1.4.37, it will be necessary to begin at once with the most extensive construction of new tanks and a very high importation, in order to ensure the required quantity on 1.4.1935, from when onwards there will be a slower rate of increase of storage up to 1.4.1937.

( 46th page of original )

( page 18 of original )

II) The A-Fall requirement up to 1 April 1937 ( without consideration of the supply of A-Fall requirements up to 1 April 1935 ) can be secured, together with a regular construction of new storage tanks and correspondingly regular importation, in such manner that on 1 April 1937 the required demand is ensured for a year by inland production ( plus the stocks available at home ) together with the new storage accommodation.

In Cases I) and II)

|  | A-Fall Requirement<br>is covered by home<br>production plus<br>stocks available<br>up to | % | New stocks or<br>imports necessary<br>for full cover<br><br>in 1000 tons |
|--|--|---|--|
| Aviation gasoline  | 0  |   | about 725  |
| Gasoline, light<br>propellant fuels and<br>Test gasolines                  | 70   |   | " 900  |
| Gas oils ( propellant )  | 23   |   | " 700( 1070  |
| " " ( heating )  | 55   |   | " 370(   |
| Motor oils   | 18   |   | " 200  |
| Aviation motor oil   | 0  |   | " 75   |
| Lubricating oils   | 50   |   | " 210  |
| <hr/>  |  |   |  |
| Necessary investments for new plant<br>( see Normal-Fall on page 17 )      |  |   | about 275 mill RM.   |
| Non-recurring Foreign exchange requirement<br>for importations for storage |  |   | " 295 mill RM.   |
| Non-recurring costs for procurement of<br>new tanks                        |  |   | " 360 mill RM.   |
| <hr/>  |  |   |  |
| Total increased costs for covering A-Fall                                  |  |   | " 655 mill RM.   |

( It has been allowed for that Crude Oil requirements for the processing in one of the new plants will be stored for a year. )

( 46th page of original, cont'd )

( page 18 of original, cont'd )

Conditions for the Carrying Out of the New Production.

- 1) Immediate commencement of the building of the two new lignite hydrogenation plants ( Helmstedt and Hueckenberg ), or respectively reconstruction of the power works concerned and erection of the necessary low compression process furnaces.
- 2) Obtaining of a continuous sales market for about 200 Propellant Gas ( autobus, Reichsbahn-motorcar, general route traffic ) through separate sales organizations.
- 3) Stocks on hand held by the industry must not be less at any time than the stocks available at present ( July 1934 ).

( 47th page of original )

( page 19 of original )

- 4) Maintenance of the existing lignite low compression furnaces and ensuring of their market.
- 5) Prohibition of cracking of German petroleum, compulsion for processing of petroleum and low compression tar through distillation only ( lubricating oil yield ! ).
- 6) Generally reduced tariffs for the transport of all German fuels or mineral oils, including propellant gases, as well as for all intermediates, such as low compression tar, pea-coal and other coals.

In Inland Production the following  
still await solution :

In Normal-Fall

|                             | Deficiency | about |
|-----------------------------|------------|-------|
| 1) Aviation gasoline supply |            | 100   |
| 2) Gas oil                  | "          | 550   |
| 3) Lighting oil             | "          | 60    |
| 4) Heating oil              | "          | 200   |
| 5) Motor oil                | "          | 70    |
| 6) Aviation motor oil       | "          | 10    |
| 7) Lubricating oil          | "          | 250   |

These mineral oils must therefore continue to be imported ( regardless of an increase in requirement as from 1938 ).

Further important tasks :

- 1) Production of aviation gasoline from German gasoline or from German raw materials.
- 2) Increase of German petroleum production by deep boring
- 3) Experiments in high percentage methanol propellant fuels



( 47th page of original, cont'd )

( page 19 of original, cont'd )

- 4) Experiments in a " Reich Propellant Fuel " ( " Reichskraftstoff " )
- 5) Experiments in an " Ersatz Propellant Fuel " ( " Ersatzkraftstoff " )  
for the A-Fall.
- 6) Synthesis of lubricating oils out of German raw materials
- 7) Regeneration and re-use of lubricating oils.

.....

( 52nd page of original )

( Rubber Stamp ): CONFIDENTIAL

Strictly Confidential !

June, 1935

The German Mineral Oil Supply.

For Ensuring of the Normal Requirement  
and of the A-Fall Requirement.

Under the term " Mineral Oils " as used here, is generally understood both Petroleum and the products obtained from it for technical uses. The fats and oils obtained from vegetable and animal raw materials and used especially for food purposes are not included.

By far the greatest proportion of mineral oil consumption, i.e. in gasoline, gas oil, heating oil, lubricating oil etc., is used in the German industry, partly directly as motor propellant fuel, such as gasoline and gas oil, or indirectly, as, for example, heating oil, with which the steam for driving machinery is produced by burning it under boilers.

The question of the German mineral oil supply is therefore practically of equal importance with that of the German propellant fuel supply.

For these reasons, a comprehensive survey in the field of Mineral Oils must take into consideration not only these, as such, i.e. not only the pure petroleum products, but the succeeding expositions must also extend to benzene and the other pit-coal tar, as well as lignite tar products and to methylated spirits. The synthetic mineral oils, which have especially of late been growing more and more in importance

( 53rd page of original )

( page 2 of original )

and also other chemical compounds suitable for propellants, such as synthetic lubricating oils, must naturally be included in the framework of investigation, as these materials especially have acquired particularly great importance for the mineral oil and propellant supply of Germany.

The proportion taken by propellants in the whole mineral oil requirements can be put at 80-85%, leaving 15-20% for other technical purposes; for example, these quantities are used in the chemical industry as the basis for dyestuffs and other chemical compounds, also for laundry and cleaning purposes and as solvents for varnish etc.

With lubricating oil the conditions are in so far different that here only some 15-20% is used as motor lubricant, corresponding of necessity with the consumption of propellants, while the remainder of about 80-85% is consumed for other lubricating purposes with industry and the Reich Railways as chief consumers.

.....  
( 95th page of original )

( page 44 of original )  
.....

#### Summary.

To summarise, looking back over the conditions in the field of German mineral oil, particularly over the supply covered by home products and the ensuring of the A-Fall requirement, it can be said :

( 96th page of original )

( page 45 of original )

- 1.) In 1930, we were dependent on foreign countries for our supply of mineral oil to the extent of 75% of the whole; in 1934 we are so dependent to the extent of 65%; in 1937, with the projected new production, we shall be dependent only as to 35%.

( 96th page of original, cont'd )

( page 45 of original, cont'd )

- 2.) This strong reduction in our dependence on foreign countries is, apart from a certain increase in German petroleum boring and preparation of lignite tar, chiefly due to the synthetic production of mineral oils, coal hydrogenation.

(13.) The Fischer-Tropsch process now being developed also promises to help the inland production in the near future.

- 3.) So far as concerns gasoline, gas oil, lighting oil and heating oil, there are no limits, either practical or technical or in respect of raw materials, to a further increase in Mineral Oil production ( by hydrogenation ) with German lignite and pit-coal as a basis. A further increase in this production is dependent solely on economic considerations.

- 4.) German new production for the forthcoming years extends, according to the present production program, to the further expansion of Louna for gasoline production, as well as to the new erection of 3 large works of the Braunkohle Benzin A.G., Bechlen, Magdeburg and probably Ruhland, and also of the Scholven Works of the Hibernia.

(15. In addition there will probably also be in Rauxel a plant of medium capacity ( Fischer method by Gewerkschaft Dwdl.)

Altogether the new production planned for light propellant fuels will cover the normal requirements for the years 37-38, up to 85-90%.

- 5.) Greater attention must be given to the propellant gases occurring during hydrogenation, such as Butane/Propane; steps can be taken to find utilization for the whole of this output, for instance, in autobus and route traffic, thus serving as substitute for an equal proportion of gasoline.

Ersatz propellant fuels, such as wood gas, coke gas,

( 97th page of original )

( page 46 of original )

coal gas and driving methane would appear to be susceptible to a certain development for route lines etc. with heavy freight vehicles, as well as - particularly in the case of the last-named gases - for local traffic, the first ones also for the driving of stationary motors.

TRANSLATION OF EXCERPTS FROM DOCUMENT No. NI-7295  
CONTINUED

( 97th page of original, cont'd )

( page 46 of original, cont'd )

6.) The production of special fuels for aeroplanes, especially of aviation gasoline ( see also 5. Iso-octane ), shows promising growth, giving grounds for expectation that it will eventually be possible to cover the requirement fully and completely with home-produced fuels.

7.) Synthetic Methanol, which can be produced in quantities technically without limits, must be regarded as a valuable means for the extension of the German fuel basis.

Synthetic Iso-octane, which in its manufacture is necessarily coupled with a certain Methanol production, appears likewise to be a valuable special fuel for aviation engines.

8.) The next big task towards the further securing of German requirements in Mineral Oil is the solution of the Gas Oil question by new production. Here the way to solution is seen in the further extension of Hydrogenation or respectively in the combination of gas oil manufacture with the present gasoline production, in which, from the economic viewpoint, development will be considerably influenced by the policy in regard to price or customs duty.

9.) The German lubricating oil production requires careful further extension. Even though the possibilities of extension cannot yet be clearly seen in their complete ultimate form, the way has nevertheless already been opened that will lead to considerable production from German raw materials.

.....

CERTIFICATE OF TRANSLATION

26 July 1947

I, A. MARTIN, No. E 00848, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of excerpts from document No. NI-7295.

A. MARTIN,  
No. E 00848



(page 32 of original)

M.S. Exhibit "5" "

Dessau, 12 October, 1934

The Hydrogenation Works.

Discussion in Leuna on 11 October 1934

Present:

General von VOLLARD-BOCKELBERG, Representing the  
Wehrmacht,

Dr. KRAUCH  
Dir. Dr. SCHNEIDER  
Dr. BUSTEFISCH  
Dr. PIER  
FISCHER and some other  
gentlemen  
and the Undersigned. ) of I.G. Farben

Dr. BUSTEFISCH set forth in a clear and simple form the organization of the three chief manufacturing branches of the Merseburg Works:

The synthesis of Ammonia, of Methyl-alcohol and of Gasoline.

Dr. PIER then explained in particular the proceedings in the hydrogenation of pit coal, bituminous<sup>coal</sup> and coal-tar. He opened up a wide perspective on the possibilities of the production and utilisation of synthetic heating and propellant fuels and lubricants.

It was astonishing to learn of the tremendous pioneer work that had been performed by the gentlemen of the I.G. Farben in these fields, to what valuable results their laboratory researches had led, how important was their practical exploitation in the manufacturing plants in Leuna and how staggeringly simple the production methods appeared to those hitherto ignorant of these matters. Coal, water and air are the raw materials, or the sources of energy, out of which the complicated nitrogen and carbohydrate compounds, products of the Leuna Works, are manufactured. Fertilisers, synthetic resin, oils and so on.

(page 33 of original)

There is today no longer any technical obstacle in practical operation in the way of the liquefaction of coal (both pit coal and bituminous coal). In Leuna itself there is a plant with an annual capacity of 200,000 tons, which is now about to be adapted to an increased capacity of 350,000 tons.

(page 33 of original cont'd)

The statements of Dr. BUETEFISCH and Dr. PIER were followed by a discussion, in which the needs of aviation were especially dealt with. It was arranged that Dr. MADER of Junkers-Dessau should communicate with Dr. BUETEFISCH in this connection.

This was followed by a tour of the works, which once again demonstrated to the uninitiated in a most striking way, the high level which the plants and the manufactures of the Leuna Works had reached.

Finally, there was a long discussion which greatly contributed to the initial clarification of the situation as a whole. It resulted in the following:

Regardless of the fact that there has as yet been no formal foundation of the undertaking, in order to save time, a beginning shall already now be made with the practical work. Those parts which require a very long delivery time (contact process furnaces etc.) the dates of which are moreover already precisely established, shall be ordered as soon as possible.

The higher administration of the project takes place in Berlin. The Management (General von BOCKELBERG, Dr. KRAUCH, Mr. X and KOPPENBERG) is also there and all the threads are there gathered together in one Administration and Construction Office, which is to be kept as small as possible.

Berlin is competent for the general direction of the Construction and Plant projects. The special technical and technological work will be carried out in Ludwigshafen and Leuna. A suitable communication will be established between Berlin and Leuna.

(page 34 of original)

Leuna will give to Berlin all the reports, information and indications which are necessary for a proper, rapid and frictionless execution of the project.

For the preparation of the general construction tasks in Berlin, an already existing Construction Department, which is just finishing its work for the Junkers-Works-Combine, will be used. This department will be supplemented on the technical side by qualified personnel sent from I.G., and it must in particular be completed by the addition of staff for finance and Building bookkeeping, which in the case of Junkers, were carried on in Dessau.

(page 34 of original cont'd)

Baudirektor Ernst will be travelling immediately to Ludwigshafen and Leuna and will take up connection with the departments and the gentlemen of the I.G. concerned. KOPPENBERG will follow in a few days. The task consists in the erection of two Works, for approximately 250,000 tons of fuel each per year and, roughly, about 2,500 workers each. One of the works is planned for the neighbourhood of Ruhland. The other is to be situated somewhere in the triangle formed by Helmstedt - Nachterstedt - Magdeburg. Both works are conveniently placed in regard to supply of workers, coal and water and proximity to the railway.

Air raid precautions are to be taken into account in the erection of the works.

The greatest economy is to be exercised in the building of the works themselves. For this reason, such costly additions as large machinery construction workshops, big power-works and settlements will be omitted. So far as it does not occur as a by-product in the works, current is to be obtained from the at present largely unutilised great power stations of Central Germany. The large repair and machine construction work will, for reasons of thrift and

(page 35 of original)

national economy, be distributed among the corresponding large and small suitable undertakings in the district. The workers are to be drawn from the communities and towns in the immediate or outlying neighbourhood of the works.

The directions of the I.G. will be followed as to the erection of the works. All the knowledge and experience of the corresponding experimental and manufacturing plants of the I.G. will be utilised. The machinery and installations will be as far as possible in accordance with the latest technical developments and no unwarrantable risks will be allowed to be taken, so that the manufacturing results will be 100 % certain. I.G. will undertake to guarantee the certainty of success.

The necessary plans in regard to accountancy, estimates of cost and financial requirements will be put in hand at once.

There remains a number of questions still open, though at the moment of secondary importance: -

The subdivision into kinds: heating oil, fuel oil, gasoline, lubricating oil, consideration of the highly increased needs of the aero-plane engine, the storage of large stocks (distillation residue, crude oil, gasoline), and possibly also the management and other similar matters.

(page 35 of original cont'd)

The efforts of those interested in the low combustion process were also touched upon and it was ascertained that where the necessary conditions existed, i.e., the presence of coal suitable for this process and possibilities for the disposal of Grudekokes (Boehlen, Helmstedt etc.), low combustion tar for the purposes of hydrogenation could be produced (possibly with tar manufacturing plant for the A-Fall).

(page 36 of original)

The discussion was described as very productive and, on the proposal of Dr. KRAUCH, it was decided to repeat it at fixed and not too long intervals. General von BOCKELBERG took over the leadership in regard to business matters in the present circle, which would deal with the whole task.

At the suggestion of Dr. KRAUCH, Mr. FISCHER further particularly stressed the necessity of the contracts shortly to be concluded. The following were named in systematic order: -

- 1.) the licence contract with the I.G.
- 2.) the coal delivery contracts with the coal supply works.
- 3.) the electric current supply contracts with the electricity suppliers.
- 4.) the tar supply contracts with the tar producers

and so on.

Mr. FISCHER further remarked that, with a view to ensuring a smooth and unhindered progress of the work for those entrusted with the carrying out of the project, there should be, on the foundation of the company, a separation between the finance-providers and the "carrying out company" (Ausfuehrende), possibly by a distinction between a holding company and an industrial company.

General von BOCKELBERG and Dr. KRAUCH will now communicate with President Dr. SCHACHT concerning the further pursuit of the project.

Signature: KOPPENBERG



TRANSLATION OF EXCERPTS FROM DOCUMENT No. NI-3975  
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES

(page 87 of original)

C o p y  
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SEAL  
of the public notary  
Dr. Hans KOCH in Berlin

On the original, a3.- (three) RM  
stamp has been affixed.  
Stamp-tax free certified copy  
has been submitted to the Office  
for Taxes (Finanzamt) Bourse in  
Berlin, for their file No. 1324 -  
Company Tax -.

Berlin, 31 October 1934.

Signature : KOCH

No. 192 of the notary register for the year 1934.  
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R e c o r d e d

in Berlin, the twenty sixth of October, nineteen hundred and  
thirty four.

Before the undersigned public notary for the district of the Prussian  
Court of Appeal (Kammergericht) in Berlin.

Dr. Hans KOCH

appeared to-day in the Reichshaus fuer Wirtschaft und Arbeit in Berlin  
Behrenstr. 43, conference room 1, whereto the notary had been requested  
to proceed,

1. Bergwerksdirektor Dr. Otto SCHAFF from Halle/Saale
2. Dr. Heinrich BUETTENISCH from Leuna  
the person mentioned sub 1; as member of the Vorstand  
the person mentioned sub 2; as joint Prokurist

(page 88 of original)

- of the I.G. Farbenindustrie Aktiengesellschaft in Frankfurt on Main,
3. Bergwerksdirektor Dr. ing. H.c. Max BAER from Grube Ilse,  
Niederlausitz, as representative  
of the Ilse Bergbau-Aktiengesellschaft in Grube Ilse, Niederlausitz,  
presenting his power of attorney dated 24 October 1934 (document  
entered in the notary register of the public notary HAESELER in  
Senftenberg) under No. 864)
4. Director Hans GROFFER from Berlin,  
as representative  
of the Deutsche Erdcoel Aktiengesellschaft in Berlin, presenting  
his power of attorney dated 26 October 1934,
5. Generaldirektor Ernst TIETSCHKE from Berlin,

(page 88 of original cont'd)

6. Merchant Heinz PULVERMANN from Berlin,  
the persons mentioned sub 5. and 6. as members of the Vorstand  
of the Werschen-Weissenfelder Braunkohlen-Aktiengesellschaft  
in Halle/Saale,
7. Bergassessor (ret'd.) Dr. Friedrich RAEFLER from Berlin,
8. Director Albert LANDE from Berlin,  
the persons mentioned sub 7. and 8. as members of the Vorstand  
of the Braunkohlen- und Brikett-Industrie Aktiengesellschaft -  
Bubitz - in Berlin,
9. Director Dr. ing. Heinrich EHLERS from Dresden  
as representative  
of the Aktiengesellschaft Saechsische Werke in Dresden,

(page 89 of original)

10. Landesbaurat Dr. ing. h.c. August MENGE,
11. Dr. jur. Georg BOLZANI, both from Berlin ,  
as members of the Vorstand entitled to represent jointly the  
Elektrowerke Aktiengesellschaft in Berlin,
12. Geheimer Regierungsrat Gustav REICHT from Cologne  
as representative  
of the Rheinische Aktiengesellschaft fuer Braunkohlenbergbau  
und Brikettfabrikation, presenting his power of attorney dated  
24 October 1934 (document entered in the notary register of the  
public notary Alfons TOENISSEN in Cologne under No. 1722),
13. Director Heinrich KOPPENBERG from Riesa ,
14. Huettdirektor Friedrich MOELLER from Riesa,  
the persons mentioned sub 13. and 14. as members of the Vorstand  
entitled to  
represent jointly  
the Mitteldeutsche Stahlwerke Aktiengesellschaft in Riesa,  
the persons mentioned under 5 and 6 are also in their capacity  
as members of the Vorstand entitled to represent jointly  
the Aktiengesellschaft Anhaltische Kohlenwerke in Halle/Saale
15. Reich Commissioner for the Compulsory Combine of the Bituminous  
Coal Industry,  
Director of the Reich Bank Dr. jur. Robert DEUMER, from Berlin,
16. Ministerialrat Hans KRALIK from Berlin.

Those persons present who were not known to the notary were introduced  
by Ministerialrat in the Reich Ministry of Economy Hans KRALIK. Thus,  
the notary satisfied himself of their identity.

Ministerialrat KRALIK confirms this statement by his signature as  
follows:

(signed) Hans KRALIK.

The gentlemen mentioned sub 1 to 14 then declared:

(page 90 of original cont'd)

The companies represented by us have become members of the Compulsory Combine as a result of the Ordinance relating to the foundation of industrial compulsory combines within the Bituminous Coal Industry dated 28 September 1934 (Reich Law Gazette Part I Page 863).

Together with Director of the Reich Bank Dr. DEUMER, Reich Commissioner of the Compulsory Combine for the Bituminous Coal Industry appointed by the Reich Minister of Economy and, at the same time, in accordance with the first Ordinance for the execution of the Ordinance mentioned, Reich Commissioner for the Aktiengesellschaft to be founded, we have assembled here to found the Aktiengesellschaft mentioned in Art. 1 paragraph 3 of the Implementation Ordinance dated 23 October 1934 (Reich Law Gazette part I page 1068).

After having given this explanation, we herewith found an Aktiengesellschaft which we name

Braunkohle-Benzin Aktiengesellschaft

and the registered office of which shall be in Berlin.

We herewith conclude the following

(page 91 of original)

PARTNERSHIP AGREEMENT

relating to the

Braunkohle-Benzin Aktiengesellschaft.

Section I.

General Regulations.

Article 1.

Name and domicile, duration and legal structure of the company.

The Aktiengesellschaft receives the name of

"Braunkohle - Benzin Aktiengesellschaft"

and has its registered office in Berlin.

The company agreement is concluded for an indefinite period.

The legal structure of the company and its executive bodies is based on the regulations of the first Ordinance for the execution

(page 91 of original cont'd)

of the Ordinance relating to the foundation of industrial compulsory combines within the bituminous coal industry dated 23 October 1934 (Reich Law Gazette part I page 1068).

Article 2.

Purpose of the company.

The company will engage in the manufacture of fuels and lubricants by using bituminous coal and in the construction or the purchase of plants which are suited to the attainment and furtherance of these aims. The company is entitled to acquire, exploit and sell apparatus and plants, objects and rights as well as to take all measures and conclude all business deals

(page 92 of original)

which appear appropriate for the attainment of furtherance of the aims of the company, and particularly to acquire a share in enterprises with similar aims and to conclude agreements for the foundation of Interessengemeinschaften.

Article 3.

Announcements.

Announcements are made by the company by a single publication in the German Reich and Prussian State Gazette (Deutscher Reichs- und Preussischer Staatsanzeiger) and in other papers which the Aufsichtsrat might choose for such publications. The validity of announcements by the company depends, however, only on their publication in the German Reich and Prussian State Gazette.

The announcements are made by the Vorstand if neither the law nor the constitution of the company prescribe that they be made by the Aufsichtsrat or by the Reich Commissioner (First Implementation Ordinance dated 23 October 1934).

Section II.

Stock Capital, Stock, Dividend slips and Certificates for  
Renewal of Dividend Slips, Redemption of Stock.

Article 4.

The stock capital of the company is 100 Million Reichsmarks and is divided into 100 000 registered shares of 1 000 Reichsmarks each.

Each share has one vote.



(page 92 of original cont(d))

Article 5.

The issue of shares above par is permitted.  
(page 93 of original)

The shares issued on the occasion of an increase in Stock are also registered shares.

When new stock is issued, the share of profits may be arranged otherwise than laid down in article 214 paragraph 2 of the Commercial Code.

The Aufsichtsrat decides on the outer appearance and contents of the share documents, the dividend warrants and the talons. The Aufsichtsrat can also permit the provision of the signatures on these documents by mechanical means.

Article 6.

The transfer or pledging of stock is valid only with the written permission of the Aufsichtsrat.

Article 7.

Dividend warrants for at least 10 years and a talon to be exchanged against new dividend warrants are attached to the share documents.

The Aufsichtsrat can decide on the issue of share documents representing more than one share. These documents shall have as many serial numbers as they represent shares. The stockholders may, however, apply at any time for the issue and delivery of the corresponding number of individual share documents.

As long as share documents or interim stock certificates are not issued, the ownership of stock is proved by entry in the stockholders' ledger.

Article 8.

The redemption of stock by purchase with funds taken from the profit

(page 94 of original)

is permitted according to the annual balance sheet or from reserves is permitted.

Section III.

Legal structure and management.

Article 9.

Executive bodies of the company are:

- a) the Vorstand
- b) the Aufsichtsrat
- c) the general meeting of the stockholders.

TRANSLATION OF EXCERPTS FROM DOCUMENT No. NI-3975  
CONTINUED

(page 103 of original)

These persons who appeared on Points 1) to 14) then stated further:

The shares shall be issued at their nominal value.

The share capital shall be subscribed thus:

|   |                        |
|---|------------------------|
| 1. I.G. Farbenindustrie Aktiengesellschaft<br>Frankfurt/am Main                                       | 10.000.000.—RM         |
| 2. Ilse Bergbau-Aktiengesellschaft,<br>Grube Ilse N.L.  | 10.000.000.—RM         |
| 3. Deutsche Erdöl-Aktiengesell-<br>schaft, Berlin-Schöneberg  | 10.000.000.—RM         |
| 4. Werschen-Weissenfelder Braun-<br>kohlen-Aktiengesellschaft<br>Halle/Saale                          | 10.000.000.—RM         |
| 5. Braunkohlen- und Brikett-Industrie<br>Aktiengesellschaft -Bubink-, Berlin                          | 10.000.000.—RM         |
| 6. Aktiengesellschaft Sächsische<br>Werke, Dresden  | 10.000.000.—RM         |
| 7. Elektrawerke Aktiengesellschaft,<br>Berlin   | 10.000.000.—RM         |
| 8. Rheinische Aktiengesellschaft fuer<br>Braunkohlenbergbau und Brikett-<br>fabrikation, Koeln a. Rh. | 10.000.000.—RM         |
| 9. Mitteldeutsche Stahlwerke Aktien-<br>gesellschaft, Riesa   | 10.000.000.—RM         |
| 10. Anhaltische Kohlenwerke,<br>Halle o.S.  | 10.000.000.—RM         |
| Total:  | <u>100.000.000.—RM</u> |

Reich Bank Director Dr. DEUTER then stated:

(page 103 of original cont'd)

In an order of 26 October 1934, in accordance with the First Decree already mentioned for the implementation of the ordinance dated 23 October 1934 for the setting up of economic compulsory combines in the bituminous coal industry (Reich Law Gazette part 1 Page 1068) the Reich Minister of Economics appointed me Reich Commissioner for the Compulsory Combine (Pflichtgemeinschaft) for the Bituminous Coal Industry,

(page 104 of original)

and likewise Reich Commissioner for the Braunkohle-Benzin Aktiengesellschaft just founded. I submit my certificate of appointment with the request that the officiating notary should add a certified copy of the first draft of this negotiation, and a single copy of each additional draft.

of  
In accordance with Article 3/the implementation order quoted above, I am charged with the task of setting up the Aufsichtsrat of the company just founded.

I hereby appoint the following gentlemen to the first Aufsichtsrat of the company for the term of office indicated in Article 243, Para. 2 of the Code of Commercial Law:

1. Herr Bergwerksdirektor Dr. ing. e.h. Max BAHR, Ilse mine.
2. Herr Geh. Regierungsrat Gustav FRECHT, Cologne, Kaiser Friedrich Ufer 55.
3. Herr Generaldirektor Karl BUCHEN, Berlin W. 9, Potsdamerstrasse 14.
4. Herr Direktor Dr. ing. Heinrich EHLENS, Dresden, Bismarckplatz 2.
5. Herr Direktor Hans GROEBEL, Berlin-Schoenberg, Martin Lutherstrasse 61.
6. Herr Landesbaureat Dr. ing. e.h. August MÜNKE, Berlin, Kurfuerstenstrasse 112.
7. Herr KAUFMANN Heinz TULVEFMAN, Berlin-Grünwald, Hubertusbaderstrasse 22.

TRANSLATION OF EXCERPTS FROM DOCUMENT No. NI-3975  
CONTINUED

(page 105 of original)

Those present of the above-named gentlemen appointed to the Aufsichtsrat declared that they ~~accepted the position~~ offered to them and that they now, in accordance with Article 10 of the statutes, summoned the following to the first Vorstand of the company.

1. Herr Direktor Dr. Heinrich KOPPENBERG, Dessau,  
Parkstrasse 5.
2. Herr General der Artillerie a.D. von VOLLARD- BOCKELBERG,  
Berlin W., Mauerstrasse 45.

The transaction should be drafted twice for the company.

The transaction was read to those present, approved by them and signed by them in their own hand as follows:

Otto Scharf,  
Heinrich Eustefisch,  
Max Raehr,  
Hans Broeber,  
Heinz Pulvermann,  
Ernst Tietsche,  
Dr. Friedrich Raefler,  
Albert Lampe. Heinrich Ehlers,  
August Menge, Georg Bolzani.  
Gustav Brocht,  
Heinrich Koppenberg,  
Friedrich Mueller,

Dr. Deumer.

Koch

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(page 110 of original)

Shareholders of the Braunkohle-Benzin A.G.

(Position on 19 September 1940. Applications for transfer now pending are considered as approved.)

Union Rheinische Braunkohlen Kraftstoff A.G., Cologne. . . . 29,215,000 <sup>RM</sup>

(Comprises all earlier participant firms of the Rheinische Braunkohlengesellschaften, with the exception of Prinzess Victoria/Neurath, which has been transferred to Michel.)

Asphaltische Kohlenwerke, Halle on Saale . . . . . 15,127,000

I. G. Farbenindustrie A.G., Frankfurt on Main . . . . . 13,179,000

(Comprises all earlier participant firms in the I. G. Konzern, including Riebeck)

Ilse Bergbau-Akt. Ges., Grube Ilse, N.L. . . . . . 6,453,000

Reich und Preussischer Staat

Elektrowerke A.G., Berlin 2,467,000

Braunschweigische Kohlenbergwerke Helmstedt 2,430,000

Bergwitzer Braunkohlenwerke A.G. Bergwitz Bez. Halle 430,000

Märkisches Elektrizitätswerk A.G. Bln. 412,000

Braunkohlen-Schmel-Kraftwerk

Hessen-Frankfurt A.G., Woelfersheim 338,000

Preussische Elektrizitäts A.G., Bln. 264,000

Preussische Bergwerks- u. Hütten A.G., Bln. 95,000 6,436,000

Deutsche Erdöl A.G., Berlin-Schoenberg. . . . . . 6,331,000

Braunkohlenwerke Salzdorf A.G. . . . . . 5,504,000

Michel

Gewerkschaft Michel Gross-Kayna, Halle/S 2,291,000

Gewerkschaft Vesta Gross-Kayna, " " 2,290,000

Gewerkschaft Leonhardt Gross-Kayna, " " 13,000 4,594,000

Braunkohlen- und Brikett- Industrie A.G. . . . . .

Bubitz - Bln. - Charlottenburg 3,788,000

Gewerkschaft Frielendorf, Bez. Kassel 492,000 4,281,000

Aktiengesellschaft Sächsische Werke. . . . . . 2,273,000

Reichswerke A.G. fuer Erzbergbau und Eisen-Hütten

"Hermann Goering" . . . . . 2,295,000

Grube Leopold A.G., Bitterfeld. . . . . . 1,058,000

F.C. Th. Hütte, Braunkohlenwerke G.m.b.H., Annaburg N.L. 911,000

Senftenberger Kohlenwerke A.G. (Worhahn). . . . . . 859,000

Flessaer Braunkohlenwerke G.m.b.H., Flessa Krs. Liebenwerda 572,000

Bitterfelder Louisengrube, Kohlenwerk u. Ziegelfabrik A.G.

Schorndorf . . . . . 237,000

Deutsche Solvay-Werke Aktiengesellschaft, Bernburg. . . . 225,000

100,000,000

TRANSLATION OF EXCERPTS FROM DOCUMENT No. NI-3975  
CONTINUED

CERTIFICATE OF TRANSLATION

18 July 1947

We, Victoria ORTON, Civ. No. 20 129, and Arthur Macnamera, Civ. No. 20 191, herewith certify that we are thoroughly conversant with the English and German languages and that the above is a true and correct translation of the document No. NI-3975.

Victoria ORTON  
Civ. No. 20 129

Arthur MACNAMERA  
Civ. No. 20 191

TRANSLATION OF THE EXCERPT FROM DOCUMENT No.  
NI-7669  
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES

Stamp:  
Technical Directorate Department  
Leverkusen  
13 February 1935

Confidential

Report

concerning the first Oil conference in  
Ludwigshafen on Rhine on 10 January 1935,  
at 3 o'clock in the afternoon

|  | Page                          |
|--|-------------------------------|
| I. <u>Oil business</u><br>Report concerning the business situation at the<br>Gasoline (plant)  | 3 - 5                         |
| II. <u>Financial Matters</u><br>Report of the Central Bookkeeping Department concerning<br>the 3rd quarter and pre-view for the entire year 1934   | 6                             |
| III. <u>Braunkohlenbenzin A.G.</u><br>Establishment of the Braunkohlen A.G. and their relations<br>to I.G.   | 7 - 12                        |
| IV. <u>Technical Matters</u><br>1) State of completion of hydrogenation plant in Leuna<br>2) Report concerning the large-scale experiment<br>on hard coal hydrogenation in Ludwigshafen<br>3) Production of higher alcohols in Leuna | 13 - 16<br>17 - 22<br>23 - 35 |

Initials:

St

~~PG~~  
~~ADC~~

} (deleted on original)

~~II-X-Steenge~~

~~II-X-Wenk~~

} Wk

(page 2 of original)

The following gentlemen were present:

|                      |   |
|----------------------|---|
| from Berlin:         | Kretschmann   |
| from Frankfurt/Main: | ter Meer, Dencker, Struss   |
| from Hoechst/Main:   | Hermann, Jaehne   |
| from Leuna:          | Schneider, Rustefisch, Sauer  |
| from Leverkusen:     | Kuehne  |
| from Halle:          | Scharf  |
| from Ludwigshafen:   | Gaus, Seidel, Brendel, Fier, Ambros,<br>Duden, Urban, Schoenemann                               |
| from Oppau:          | Krauch, Lappe, Fehrenhorst, Grimm, Gold-<br>berg, Mueller-Cunradi, C. Mueller, Loit-<br>Ringer. |

(3rd page of document)  
(page 7 of original)

III. Braunkohlenbenzin A.G.

Establishment of the Braunkohlenbenzin A.G. and their relations to  
I.G. Bustefisch.

On the basis of the decree of 28 September 1934, concerning the formation of industrial compulsory combines (Pflichtgemeinschaften) in the soft coal industry, the Reich Minister for Economy has consolidated soft coal enterprises, which have been defined in detail, into a compulsory industrial combine under the name of "Pflichtgemeinschaft der Braunkohlen-Industrie" (compulsory combine for soft coal industry) in his decree of 23 October 1934. The purpose of the compulsory combine is said to be to finance an Aktiengesellschaft by means of which the members of the compulsory combine will be called upon to contribute capital up to a compulsory limit (Pflichtgrenze) to be fixed by the Reich Minister for Economy. It says already in the decree that the object of the Aktiengesellschaft is to produce fuel and lubricants by making use of soft coal and to set up such plants as are suitable for the achieving and fostering of these purposes.

This compulsory combine will be represented in Court and out of Court by a Reich Commissioner (Reichskommissar) who also will be appointed by the Reich Minister for Economy. On 29 October 1934 the Reich Minister for Economy called a founders' meeting on the basis of this decree, to which the following partners were summoned:

- 1.) I.G. Farbenindustrie Aktiengesellschaft
- 2.) Ilse-Bergbau-Aktiengesellschaft (Grube Ilse Niederlausitz)
- 3.) Deutsche Erdöl Aktiengesellschaft, Berlin-Schoeneberg
- 4.) Werschen-Weissenfelder Braunkohlen Akt.-Ges., Halle on Saale
- 5.) Braunkohlen-Brikett-Industrie Akt.Gesellschaft BUEIAG, Berlin
- 6.) Aktiengesellschaft Saechsische Werke, Dresden
- 7.) Elektrowerke Aktiengesellschaft, Berlin
- 8.) Rheinische Aktiengesellschaft fuer Braunkohlenbergbau und Brikettfabrikation, Koeln (Rhine)
- 9.) Mitteldeutsche Stahlwerke Aktiengesellschaft, Riesa
- 10.) Anhaltische Kohlenwerke, Halle on Saale.

(4th page of document)  
(page 8 of original)

The object of the undertaking had already been adequately outlined in the Reich decree, so that no particularly new regulations had to be adopted in the deed of partnership. The following was decided as regards capital: The original capital of the company amounts to R' 100 million and is divided into 100,000 registered shares of R' 1,000 each. Each share carries one vote. The shares must still be registered even if the original capital is increased. When new shares are issued, the dividends may be dealt with otherwise than as laid down in Article 214, paragraph 2, Company Law Code.



(4th page of document cont'd)  
(page 8 of original cont'd)

Shares will be issued at their nominal value. The companies mentioned above will subscribe RM 10 million each of the original capital. The capital will be raised by charging a levy for each ton of raw coal hauled or for each ton of briquettes sold. Small soft coal companies are to be excluded from this levy. The amount and rate of this levy has not yet been definitely fixed. For instance, up to the present the I.G. pits were charged approximately RM 0.52 per ton of hauled coal and RM 1.31 per ton of briquettes produced, whereas payment of the instalment due has not been demanded as yet in the case of the Pauline, Theodor and Wartberg pits. There is as yet no clear idea as to the way in which the final payment will be made, taking into account the payment of interest and dividends, since, the Reich Minister for Economy has reserved to himself the right to make further decisions in this case.

An important point, which came up already at the founders' meeting, was the question of the preliminary work done by the various soft coal mines or associated firms. The proposal made was to the effect that any preliminary work performed by the companies which had set up plants for the production of fuel, lubricants and gas oils, etc., should be deducted from the compulsory contributions to the Company from a certain date on and to an extent which was still to be determined.

(5th page of document)  
(page 9 of original)

No decision as to this question has been made as yet, the Reich Minister for Economy having reserved to himself the right, also in this instance, to solve the problem in a just manner after thorough examination.

The Vorstand of the company was appointed during the founders' meeting and consists of the following gentlemen:

General Bockelberg  
Dr. Koppenberg  
Dr. Krauch  
Kranefuss.

The following gentlemen have for the time being been nominated as members of the Aufsichtsrat:

Baer (Grube Ilse)  
Brecht (Rheinische A.G. fuer Braunkohlenbergbau u. Briquettfabrikation)  
Buehren (BUBIAG)  
Ehlers (A.G. Saechsische Werke)  
Groeber (DEA)  
Lange (Elektrowerke A.G., Berlin)  
Pulvermann (Werschen-Weissenfelder Braunkohlen A.G.)

In the meantime the last mentioned has resigned already and has been replaced by Herr Bestien. Furthermore, at the suggestion of the Reich Minister for Economy, the Aufsichtsrat has been enlarged by the addition of a representative of the Wintershall Konzern, Herr Schmidt.

Reich Bank Director Deumer, Berlin, who is also a member of the Aufsichtsrat, was appointed Reichskommissar of the compulsory combine.

(5th page of document cont'd)  
(page 9 of original cont'd)

On 8 November 1934, a meeting of the Aufsichtsrat with technical Advisory Councils (technischen Beiräten) took place in Leuna in the presence of the Reich Minister for Economy, General Liese, Oberst (Colonel) Thomas and Major Brecht of the Reichswehr Ministry as well as the Fuehrer's Commissioner of Economy. On that occasion a preliminary resolution was passed concerning the plants to be established. They decided that

(6th page of document)  
(page 10 of original)

one plant was to be established in Boehlen, another in the Magdeburg area (Helmstedt district) and a third plant in Lower Lusatia (Lausitz). At the meeting it was decided, that for the present the Company could adopt only one process for the production of fuel, namely the I.G. process. For the time being, these plants were to be planned for this process and a working committee (Arbeitsausschuss) which was still to be formed, should then pass an immediate resolution concerning the construction of these plants. The Braunkohlenbenzin Aktiengesellschaft is to sign a licence contract with I.G. regarding hydrogenation.

The Fuehrer's Commissioner for Economy, Herr Keppler, was appointed as chairman of the Aufsichtsrat of the EWABAG by the Reich Minister for Economy, Schacht. Moreover, a working committee was formed which is to render assistance to the Vorstand of the Company for the carrying out of the work. This working committee consists of members of the Vorstand and Messrs. Keppler, as chairman of the Aufsichtsrat, Groeber and Brecht, and furthermore Herr Schmidt for judicial questions.

As already mentioned, three plants are planned for the time being. The first one, the setting-up of which has now been decided, is the plant in Boehlen. It is to produce 150,000 tons of gasoline per year from tar. It is proposed to hydrogenate tar because

1. there is coal available in Boehlen which is well suited for low temperature distillation purposes,
2. dry soft coal can be utilized for the local power plant so that the drying of the coal for the low temperature distillation process is at the same time of benefit to the power plant,
3. the Saechsische Werke have declared themselves willing to establish a low temperature distillation plant immediately at their own expense.

The negotiations are so far advanced that orders have already been placed and it is reckoned that this plant will

(7th page of document)  
(page 11 of original)

go into production during the first months of 1936.

The second plant to be discussed is the plant in Lower Lusatia (Niederlausitz), namely in the Mueckeberg area. At first this plant is to work on petroleum residue to be obtained from outside. However, from the beginning, this plant is to be planned in such a way that it may be converted for utilization of coal at any time. The capacity of the plant amounts to 230,000 tons.

The third plant has been planned for the Helmstedt district, namely near the Mittellandkanal in the Neuhaldeleben area. At the present time it is still being deliberated whether they are going to have this plant work directly with coal, or in part with coal and in part with tar.

In the meantime the ERBAG is working to capacity. An office has been set up at Schinkel-Platz in Berlin to deal with current work, such as financial administration, cash questions, hiring of workers, personnel affairs, etc. The entire Construction Department, which deals with the setting-up of the planned plant, has been transferred to Leuna in order to speed up the work as much as possible. Messrs. Sigmund (I.G.) and Ernst (Mitteldeutsche Stahlwerke) have been nominated as managers of this Construction Department. Assistance supplied by I.G. will be settled by a lump sum.

The licence agreement between I.G. and ERBAG required lengthy negotiations. No definite solution has yet been arrived at. A licence agreement has been planned, the essential points of which may be briefly summed up as follows:

In the preamble reference is made to the decree of the Reich Minister for Economy, in which it says that it is

(8th page of document)  
(page 12 of original)

deemed urgently necessary to found the Company for the Welfare of <sup>the</sup> State and the People. Furthermore it points out the necessity of friendly cooperation in order to foster the tasks set, bearing in mind that the purpose of the agreement is the common good.

An essential part of the projected licence agreement is the scope of the agreement, which first of all provides for the exchange of experiences, after the pattern of our contracts abroad.

The third point, which deals with the question of guarantees, is still under special discussion, as the requirements for each plant vary.

It appears possible to reach agreement as to the licence fee by dividing the licence into a basic licence and a variable one. The latter is to be changed when ERBAG make inventions of their own in the field of hydro-generation which will contribute towards lowering the costs of the process.

(8th page of document cont'd)  
(page 12 of original cont'd)

The paragraph dealing with the waste and by-products gives protection to the I.G. for the markets developed by them.

The remaining points contain the usual clauses concerning exchange of experiences, treatment of patents and Court of Arbitration.

.....

CERTIFICATE OF TRANSLATION

20 August 1947

I, VICTORIA ORTON, do.20129, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of the excerpt from document No.NI-7669.

VICTORIA ORTON, NO.20129.

- 6 -  
"END"



(page 1 of original)

Interrogation of: Dr. von Knierim  
April 21, 1947

Interrogator: Mr. Morris Amichan  
Reporter: Miss Ann Thresh

Q. Dr. von Knierim, you understand you are still under oath?

A. Yes. .... (page 13 of original)

A. In 1936, upon special request of Mr. Schacht, a company was formed with the name of Brabag. The name means "following". Brown coal gasoline, .....

(page 14 of original)

.....

plants to produce gasoline out of lignite .

Q. Let me see if I understand. All the owners of lignite mines were required to join this Brabag Corporation and contribute according to a fixed percentage .

.....

A. I don't know. Also in this case and in the next one, I was never participant in questions with Government and there must have been a

(page 15 of original)

lot of discussion but, as far as I remember, Schacht wanted to start this but he didn't find people who liked to so it had to be made forcibly. It goes without saying that in all these things Rustfisch could tell you more. Now comes Toolitz. It was a very big hydrogenation plant in the neighborhood of Stettin. Now this is a funny thing. As to my recollection, these things started in this way. Standard and the Royal Dutch Shell had both 100 % subsidiaries in Germany which owned the whole transportation facilities and filling stations in Germany and all these things.

(page 15 of original-cont'd)

Very big one. Now these both companies distributed the gasoline and the oil of Standard and Shell respectively throughout whole Germany and they got the money and certainly made profits. These profits could be used in Germany by the 100 owned subsidiaries of their mother countries, but this money could not have been transferred. These marks could not have been transferred nor changed into dollars and transferred in accordance with regulations to foreign currency.

Q. You mean the German law in 1937 prevented the export of —

A. And made it impossible to pry dollars from marks and send the money to America. Now during all this time, you must have in mind that foreign currency regulations started as early as, I think, 1931. Now the result was they had a lot of marks in Germany not knowing what to do with it.

Q. Standard and Dutch Shell?

A. Or 100 subsidiaries respectively. And the Government approached them asking them to join hands with I.G. and for that money and spend the money in building a big hydrogenation plant. I did not take part in any negotiations for the Government but I went to London to talk the thing over with Standard and Shell in about 1937, and I had long discussions with Standard and Shell about this and the trouble was that they did not like to create a plant which made gasoline out of imported oil.

Q. Out of imported oil?

A. Yes, but they said as long as coal is used, we are willing to do it. Now it was a bad point because the scene is very easy to reach by sea and would have been very easy and advisable to take fuel—liquid fuel, the residual of oil refining as raw material. And I remember there were long discussions about these things but the

(page 15 of original-cont'd)

details I don't quite remember but the important thing was that in the end a company was

(page 16 of original)

formed where Shell, Standard, and I.G. took about 1/3.

Q. Of the stock?

A. Yes, of the stock. It was not quite exactly 1/3 because Standard, I.G., and Shell owned all of the Gasoline Co., a small distributing company in Germany where each had 1/3 and this small jointly-owned company I think was also in the picture.

Q. Now this new company that was formed as a result of your London discussion. What was the name of the company?

A. Hydrier Werke. I think it is possible that we had afterwards to change a little bit the name because the Norsk-Hydro of Norway objected to the similarities of name on trademark.

Q. If I understand you correctly, Standard and Dutch Shell each acquired 1/3 interest in this Hydrier Werke and this new corporation constructed the hydrogenation plant.

A. Yes.

Q. At what place?

A. At Pöchlitz. After the advice and help and drawings of I.G. and made a license contract with I.G.

Q. The new corporation Hydrier Werke used I.G.'s process? Is that correct?

A. Yes.

Q. The contribution that Standard and Dutch Shell made to Hydrier Werke was out of the "blockade marks" they had in Germany?

A. Yes.

(page 16 of original-cont'd)

Q. So is it fair to say that Standard and Dutch Shell had no alternative but to join in this company because otherwise they could not get the benefit of the credits and money they had in Germany?

A. Well, that is a very difficult question. These things relating to foreign currency are a very difficult one. I think you could use within Germany your "block marks" to a certain extent. At least I don't see any reason why they couldn't have gotten permission to build a hotel or something, but you have to spend it in Germany.

Q. What benefit was it to Standard and Dutch Shell to join this Hydrier Werke?

A. It may have been a benefit for them in being participants in a very, very modern hydrogenation plant set up according to the very best current knowledge, to get further still acquainted with also the running technical knowledge. It was the very newest thing.

Q. Could they have gotten these by being licensed by your people

(page 17 of original)

and having them build plants in their own countries?

A. They were not only licensed but were shareholders. But not only usual shareholders but shareholders together in the majority. And they had people on the Vorstand of the "Hydrierwerk". Also their position was a much stronger one than a position of a private person who just bought some shares.

Q. Whose idea would you say it was to have Standard and Dutch Shell to make available their credits in Germany to build this hydrogenation plant?



(page 17 of original-cont'd)

- A. I think the idea came from the Government. It would have been natural, after what I told you before, to use money which was lying useless.
- Q. Did the Government approach I.G. and ask them to take it up with Standard and Dutch Shell?
- A. I can't tell you that. My remembrance is that the first step was taken by the Government to approach these two subsidiaries of Standard and Shell and since we are in very close touch because we had very important agreements together. I.G. on the one side and IAPG, subsidiary of Standard, and the Rhomania, that was the subsidiary of Shell. We had very important agreements together and were organizing and cooperating very closely together on the distribution of the homemade gasoline.
- Q. Cooperating with whom?
- A. With I.G.
- Q. So I.G. had very close relationship with subsidiaries of Standard and Dutch Shell?
- A. When we made very big transaction with Standard in 1927 and 1929 giving them all the I.G. patents on hydrogenation throughout the whole world, we insisted on making an agreement for the German market that they would stand ready to market throughout Germany through their subsidiaries, the IAPG and Rhomania, the hydrogenated gasoline fabricated by I.G. to German customers through their filling stations.
- Q. I.G. did not have its own distributing facilities in Germany?
- A. That is quite what we had in mind. To use the distributing facilities of Standard and Dutch Shell subsidiaries. First to save the money

(page 17 of original-cont'd)

in building up their own filling stations.

Q. I.G.?

A. I.G., which would have made necessary enormous amount of money  
(page 18 of original)  
and there were already too many. And second because you see the  
German public in the beginning was not so very eager to use the  
German synthetic gasoline for they always thought that the natural  
gasoline coming from United States and Dutch was the better one and  
if we marketed our things through their filling stations, the public  
took it without knowing it, finding it was exactly the same so  
they got used to it.

Q. Let me see if I understand. Was it part of your understanding with  
Standard Oil that in consideration of your making available to them  
the patents and "know-how" on the hydrogenation process that they  
would make available to you their distributing facilities to sell  
I.G. synthetic gasoline and the understanding also contemplated  
that you could obligate them to sell your synthetic gas and not  
their own natural gas?

A. I am sure I have something I didn't say until now. One of the most  
important features of this German agreement which was as you--

Q. Between I.G. and subsidiaries of Standard and Dutch?

A. It was made first with the mother company and then transferred to  
subsidiary. The most important German sales agreement was to the  
benefit of I.G. but it was not the only compensation we got for the  
patents. And it was to that effect, that Standard and Shell through  
their subsidiaries market throughout the I.G. gasoline, and only on  
the top of it, as far as necessary, would import. That was stepped  
back, step to step, as far as the German production went up, take  
the gas --

( Page 18 of original continued )

- Q. I think I understand you. The understanding was that:  
I.G. gasoline was to be sold ahead of their own gasoline  
and that as I.G. increased its production of synthetic  
gasoline, they limited the sale or import of their own  
gasoline in order to sell first the I.G. gasolins.
- A. And this was the method to avoid price cutting which I.G.  
could not have tolerated. It would have been too bad.
- Q. Was the production cost of synthetic gasoline higher than  
the cost of natural gasoline ?
- A. Yes, much higher, and the relation between the lower cost for  
natural gasoline and the higher cost for synthetic gasoline  
was much higher than in the case of Buna.
- Q. I don't think we need that detail for the moment. When was  
this agreement made between I.G. and Standard and Dutch Shell  
whereby

( Page 19 of original )

- Standard and Dutch Shell was to act as distributing agent  
to market synthetic gasoline ?
- A. It was first made in 1929 alone with Standard. The whole big  
transaction of 1929 was made first alone with I.G. and Standard  
but Standard at the same time asked I.G. if it would be willing  
to make a change in this agreement so that the Royal Dutch  
Shell should step in as 50 % part of Standard.
- Q. Why would Standard make such an agreement ? What benefit would  
it derive from it ?
- A. With I.G. ?

( Page 19 of original continued )

- Q. What benefit was it to Standard Oil to say that it will sell I.G. gasoline ahead of its own ?
- A. It was the condition. If Standard would not have been willing to make this agreement, we would not have made the whole agreement at all.
- Q. You would not have made an agreement which was of such tremendous importance at all ?
- A. The agreement to transfer to Standard throughout the whole world all of our patents regarding hydrogenation and other processes for refining.
- Q. Why would Standard have been anxious to secure from you the patents on the hydrogenation ? Why were they so anxious to get that ?
- A. The Standard was probably in a technical respect -- the Standard Oil Company of New Jersey -- probably the most outstanding oil company in the world. We had made developments of a special kind of treating oil under high pressure and high temperatures and with catalysts, and these processes were of tremendous importance for Standard. Standard stepped with our help into making a new field of technical development.
- Q. Could it have been, by these discoveries by I.G. of this process, you could have competed with Standard in the field and driven them out of business ? Could that have been the reason it was so important to Standard to know about that ?



( Page 19 of original continued )

A. Yes, certainly, it was a very, very important process and it was especially important on the basis of coal because all countries in the world which owned coal but no oil would have jumped on it and then Standard would have lost its imports.

Q. Imports of gasoline to that country ?

( Page 20 of original )

A. Take the case of England. It would have made, hydrogenation of coal to make gasoline of England's coal, then it would not have been necessary for England to import from Standard gasoline.

Q. In other words, the hydrogenation process which I.G. developed would have enabled every country which had sufficient coal to become independent from oil. Is that right ?

A. Yes.

Q. So that Standard would have lost the oil market for all these countries that had enough coal from which they could produce oil?

A. But the importance went far beyond this. You see, never would anybody contemplate the idea of building hydrogenation plants on coal in the United States because the United States had enough oil and the oil from natural resources and the gasoline made by refining would always be cheaper than gasoline made out of coal. But there was quite a new field of working on oil if you use this process in special cases. Take for instance -- this was to be considered one of the most important cases

(page 20 of original-cont'd)

in which hydrogenation process would be useful, also for United States. You know that it is a process—distilling, refining, and cracking. And in the cracking plants there is invested a tremendous amount of money in the United States, hundreds of millions of dollars. Now there is some kind of crude oil which is in a condition that it can't be cracked on account of its sulphuric content and such things. Now it was feasible to take this crude oil which is in a condition that it can't be cracked on account of its sulphuric content and such things. Now it was feasible to take this crude oil which couldn't be cracked, then submit it to a certain step of the hydrogenation process and make a product, which not being gasoline itself, but would then be able to be cracked. Then you could leave the hydrogenation process so that you could make every kind and every shadow of lubricating oil with all the different qualities and therefore it was quite a new field.

Q. I understand from what you told me the importance of the hydrogenation process, and as you say, in giving Standard your patents and "knowhow" to hydrogenation you received in return and from Dutch Shell an agreement that would make available to you their marketing facilities in Germany to sell I.G. synthetic gasoline?

A. The main consideration we got for this tremendous thing was about 545, 000 shares of the stock of Standard Oil Company of New Jersey, which was given to I.G. Chemie, Daimler and these

(page 21 of original)

were worth quite a lot of money.

Q. What was the value of the stock?

(page 21 of original-cont'd)

A. At the time we signed the deal, it was about \$30,000,000.

Q. So that I.G. Farben received as consideration stock of Standard Oil valued at \$30,000,000.

A. And then we had another consideration (we had asked for that just in the beginning) the German sales agreement and that was help on the German market.

Q. That was in 1929?

A. So you were quite right--

Q. I understand. Now we are back in 1937 with the organization of the Hydrier Werke?

A. And you just asked where those two subsidiaries--why did they do it. I said they were approached by the Government. They had money lying around which they could have spent in other interests but they were distributors of oil, because why should they build hotels. You said if that any other interest they could have -- it was probably also in their mind that it would be useful to be kept in close touch with technical development.

Q. Alright. So you recall who in the Government originated this idea?

A. No. Rustefisch could tell you.

Q. And as the result of the organization of this Hydrier Werke, a hydrogenation plant was constructed. At Leolitz, was it?

A. Yes.

Q. Was the Vorstand informed of all of it?

A. Yes, certainly.

Q. Who in the Vorstand asked you to undertake those negotiations in London?

A. Well, probably Rustefisch. Rustefisch and Fischer. Fischer was not in the Vorstand but was specific selling man for all oil questions.

Q. OK. That is 1937?

A. Well, there were some other hydrogenation plants built up in Germany about this time which were all licensed by I.G. but which were owned by other people and I.G. was not participant in the stock of those companies.

Q. Is it fair to say that during the period 1936-1937-1938 that I.G.'s interests in the construction of hydrogenation plants was to see that its process was to be used for the production of synthetic

(page 22 of original)

gasoline. Is that a fair statement?

A. Yes.

Q. In other words, I.G. would be interested in having additional plants constructed regardless of whether it constructed or owned the plant so long as its process was being used?

A. The thing is like this. If I.G. has developed such a valuable process, as a rule it would fabricate itself, but to erect so many hydrogenation plants by itself would have passed over the money power of I.G.

Q. Would have been beyond its financial capacity?

A. Yes. And I.G. had certainly interests to get some return for its licensing hydrogenation because I.G. had spent such a tremendous amount of money in developing this process that even after these considerations of the Standard and even with the royalties I.G. was getting, I am quite sure until 1945 I.G. will have still had red figures in its hydrogenation account..

Q. You mean the cost of producing synthetic gasoline was so great--?

A. The cost of developing process was so great.

Q. So great that it was financially unprofitable even though every-



(page 22 of original-cont'd)

body in Germany who was using synthetic gasoline had to use your process and pay you royalty.

A. I am going to say, if you put on one side cost spent in developing process and on other side the consideration of Standard Oil and all the amounts of royalties flowing to I.G., the left side was still bigger than the right side.

Q. The loss exceeded the profit?

A. Yes.

Q. Why did I.G. go ahead with the hydrogenation if they were losing money?

A. Because in the end of it, I.G. expected to get the money back and it got it back to a great extent, not quite I am sure, but it got it back to a greater extent.

Q. Was there a time when I.G. was considering abandoning it because it was too expensive?

A. There was one time.

Q. When was that?

A. I remember myself I was working together with one of our technical

(page 23 of original)

men considering whether one could still take responsibility to work on the process which cost so much money, considering the fact that this process could be used in Germany only as long as there was a protective duty from the German government. To make that quite clear in the case of Buna, the cost of the natural rubber was on a scale from about two marks to 30 pfennings and the cost of the Buna itself started perhaps with three marks going down to 2.5 to two, so it was in the neighborhood of the other thing without any help of protective duty.

(page 23 of original-cont'd)

Q. But you needed a protective duty in regard to synthetic gasoline.

In 1933 was there any discussion—?

A. In 1933. That came up <sup>on</sup> an interrogation I have signed with the purchase of oil the other day. I had been asked whether I knew anything about Buettelisch having talked with Hitler and I told them that, as a matter of fact at that time, I didn't know but learned it afterwards that there had been a talk on the special order of Roach to that effect.

.....

(page 29 of original)

.....

To the best of my knowledge and belief.

Dr. V. KNIEREM  
(Signature)

"A CERTIFIED TRUE COPY"

- 14 -

(END)

38

TRANSLATION OF EXCERPTS FROM DOCUMENT No. NI-5620  
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES

Memorandum

on the 7th meeting of the Commercial  
Committee on Thursday, 10 February 1938,  
at 9.30 hours, in Berlin NW 7, Unter  
den Linden 82.

Present:

Geheimrat SCHMITZ

von SCHNITZLER

Chairman

FISCHER

HAEFELIGER

ILCHER

KRUEGER

MANN

MUEHLEN

MUELLER

OSTER

WAIBEL

LEBER-ANDREAE

FRANK-FAHLE

Secretary

.....

(page 5 of original)

.....

12) Norddeutsche Hydrier Werke A.G.

Dr. FISCHER reports on the founding of the Norddeutsche Hydrier-Werke A.G., which was founded at the request of the Plenipotentiary for the Four Year Plan. This was done under our leadership, in order to set up a combined mineral oil- and bituminous coal-hydrogenation installation near Stettin and to operate it. The I.G., the Azoniakwerk Herseburg G.m.b.H., the Deutsche Gasolin A.G. and Delbrueck, Schicklor & Co. are participating in the share-capital.

.....

Berlin, 16 February 1938

F.F./Ed. 7/38

(signed) von SCHNITZLER

(signed) FRANK-FAHLE

CERTIFICATE OF TRANSLATION

10 July 1947.

I, Dorothea L. GALEWSKI, ETO-34 079, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of Excerpts from document No. NI-5620.

Dorothea L. GALEWSKI  
ETO-34 079.

License Contract \*

between

the I.G. Farbenindustrie Aktiengesellschaft, Frankfurt/M.,  
hereinafter called briefly "I.G.",

and

the Braunkohle-Benzin ( Lignite Gasoline ) Aktiengesellschaft,  
Berlin, hereinafter called briefly "BDA".

Article 1

Purpose . . . Contract

On the basis of the decree of the Reich Minister of Economics of 26 September 1934 ( Reich Law Gazette I, 863 ) concerning the creation of industrial associations in the lignite industry, membership of which is obligatory, and the first decree ordering the implementation of this, dated 23 October 1934 ( Reich Law Gazette I, 1066 ) the BDA was created on 26 October 1934. The present contract deals with the granting of a license by the I.G. to the BDA in the field of lignite and mineral oil hydrogenation, as defined in Art. 2; on the patents and experimental data of the I.G. enumerated in Art. 3. In accordance with the decree of the Reich Minister of Economics of 26 September 1934, here cited, the reasons which led to the creation of the BDA were extraordinary and were considered to be reasons of "urgent necessity from the point of view of the welfare of the state and the people" ( cf. Art. 1 elsewhere ). The parties agree that in the granting of the license granted by the I.G. this basic idea was the determining factor, and must also be the determining factor in the application of the license contract. Both parties promise, taking into account the common good which is the purpose of the contract, friendly cooperation in the furtherance of their tasks. If, in the course of cooperation between the parties, differences of opinion or loopholes in the contract appear, these questions which arise shall be settled by the court of arbitration for which provision is made ( cf. Art. 16 ), taking into account the purpose of the obligatory association, and in the spirit of the legal principle stated at the beginning.

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\* The original license contract is dated 14 June/ 22 August 1935; in the present text the changes are incorporated according to correspondence of 30 May/10 June 1940.



( page 2 of original )

Art. 2.

Definitions

- (1) The sense of the term "hydrogenation" or "hydrogenation process", within the meaning of this contract is evident from appendix 2 of this contract.
- (2) By "patents and experimental data in the field of hydrogenation" within the meaning of this contract is to be understood: patents, patent applications and rights transferable to the above named, also unpatented experimental data and knowledge gained in the plants which refer to the hydrogenation process mentioned in Para. 1, and which belong or will belong to the company in question, now or at a later date, or which are controlled by it in the sense that it is in a position to dispose of it or to grant licenses for its use. Included are:
  - a) those rights which refer solely or principally to the hydrogenation process and to products produced by this process;
  - b) those rights which are useful for the hydrogenation process and simultaneously also to a considerable degree for other processes, but only in so far as they are useful for the hydrogenation process.

The above mentioned a) and b) also include those patent rights in the case of which the invention proper consists exclusively of this, that products which were obtained during the application of the hydrogenation process and which are specified in subparagraphs (1), (2) and (3) of the definition of "hydrocarbon chemistry" ( cf. appendix 2 to this contract ), and used as substitutes for corresponding products, but which have not been produced by the hydrogenation process. This is true also when the patent rights in question give the impression, by their form, that the idea of the invention is something other than the substitution characterized above.

( page 3 of original )

Art. 3

Patent rights of which the I.G. can dispose.

- (1) The I.G. disposes in Germany of "Patents and Experimental Data in the Field of Hydrogenation". These patents and experimental data of the I.G. embrace, in addition to the present and future rights of the I.G., the rights
  - a) of the present and future licensees of the I.G. in Germany;
  - b) the present and future, direct and indirect licensees of the I.G. outside Germany ( the I.G. has, by means of agreements of an earlier date itself exclusively secured for Germany all the patents and experimental data of the Hydro Patents Co. (USA) and the International Hydrogenation Patents Co. ( Den Haag ), as well as of the companies connected with them and the licensees of these two companies

( page 3 of original, cont'd )

- in the field of hydrogenation ), and, in fact both the present as well as the future rights of the companies named under a) and b), in so far as these rights have come or will come into question during the period of validity of the contracts in question.
- (2) The patents and patent applications of the I.G. are listed in Annex 1 as of 1 March 1935. The parties agree that the list is to be corrected, should the I.G. have patents or patent applications which are not mentioned in the list, although they come within the province of the contract as regards their contents, or inversely, should it transpire that patents or patent applications enumerated in the list do not come within the province of the contract as regards their contents.

Art. 4.

License

- (3) The I.G. grants to the IMA for the patents and experimental data at its disposal ( cf. Art. 3 ) in the field of lignite and mineral oil hydrogenation ( cf. Art. 2 ) a non-exclusive and non-transferable license for the production of approximately 166,000 tons of light motor fuels ( gasoline and fuel gases )

( page 4 of original )

and lubricants per year. Should it transpire that the plant designed for 166,000 tons per year produces a higher yield, or that improvements of the method of operation result in an increase in the yield, the license shall extend to the increased yield also.

- (2) Should the IMA wish to make use of the patents and experimental data of the I.G. in the other two plants planned by it, the I.G. declares its willingness to extend the license to cover about the foregoing amount.

Art. 5

Guaranty

The I.G. undertakes, for the production of light motor fuels made from lignite low temperature distillation tar, to give a guaranty for the quantity of light motor fuels to be produced, for certain properties of the gasoline which is to be produced, for certain consumption figures for power and raw materials, as well as a guaranty for the life of the high pressure jackets.

.....

(page 9 of original)

.....

Art. 6  
License Fees

- (1) For granting the license the I.G. shall receive a license fee of 0.65 Pfg. for each kg of motor fuel produced and 1.0 Pfg. for each kg of lubricating oil produced. If, in accordance with Art. 4, Para. 2 the DEA expands its production of motor fuels and lubricants, there shall be a reduction of the license fees corresponding to the increase of production, the extent of which is still to be agreed upon.
- (2) The license fee of 0.65 Pfg. or 1.0 Pfg., respectively, shall be subdivided in accordance with the following percentages laid down for the seven sectors and shall be reduced in accordance with the guiding principles indicated in Art. 3 and Art. 4, but the I.G. shall still receive a basic fee of at least 0.21 or 0.33 Pfg. The following are the seven sectors:

(page 10 of original)

1. Special methods of operation of hydrogenation, incl. pressure refinement and hydrogenation cycle (App.1, List 1) 21 %
2. Catalysers (App.1, List 2) 25%
3. Methods of heating, regeneration (App.1, List 3) 10 %
4. Equipment, material (App.1, List 4) 24 %
5. Further treatment of reaction products, processing of residue, preliminary treatment of the reaction products, removal of ashes, removal of dust, grinding (App.1, List 5) 2 %
6. Special products, special processes (the imparting of smoke qualities to gasoline, lubrication oil, illuminating oil, diesel oil, propane, utilization of return gas, stabilization, aviation gasoline) (App.1, List 6) 3 %
7. Gasification, production of gas and purification of gas (App.1, List 7)  $\frac{15\%}{100\%}$  -

( page 10 of original, cont'd )

- (3) The division of the group corresponds to technical knowledge as of 1 March 1935. Future patents are to be classified accordingly. Should the future development show the unsuitability of the division, the division shall be changed by agreement of both parties.
- (4) If the BBA works on one or more sectors on the basis of its own patents, there shall be a reduction in the license fee of the one or more sectors in question, within the limits of the reciprocal relationship to the whole license fee, laid down in Para. 2, provided, however, that the reduction as indicated in Para. 2, is not allowed to fall below a basic fee of 0.21 Pfg. or 0.33 Pfg. per kg., respectively, payable to the I.G. The reduction shall be adequate, shall be in conformity with the degree of deviation from the method of operation of the I.G. and shall also take into account what the I.G. has brought the BBA in the sector in question in the way of unpatented experimental data and knowledge gained in the plant. The BBA declares that it will cease to employ the patents and experimental data of the I.G. in favor of its own patents

( page 11 of original )

only in the endeavor to achieve a reduction in the production costs or an improvement of the quality of the products produced (motor fuels, lubricating oils, byproducts, etc.) By the BBA's own patents are understood those patents which are based on inventions which the BBA has made itself, or which it has acquired in accordance with Art. 10, Para. 4.

- (5) The license fees are due on 1 March of each year for the quantities which have become subject to license in the previous calendar year, but on 15 April, 15 July, 15 October and 15 January of each year instalments are to be paid according to production for the preceding calendar quarter year.

.....  
( page 12 of original )  
.....

Art. 8  
Technical Support and Help in Construction

- (1) In the erection and operation of the hydrogenation plant planned by the BBA, the I.G. shall offer extensive technical support. The precise details of the conditions under which the I.G. shall afford support in the erection of the plants ( help in construction ), shall be reserved for a special agreement.



( page 12 of original, cont'd )

- (2) The technical support refers to the sum total of experimental data and knowledge of every type, which the I.G. has gained during the operation over many years of its own hydrogenation plants in the field covered by the contract; it also refers to the experimental data obtained by the direct and indirect licensees of the I.G. at home and abroad. Finally the I.G. shall support the BBA in the application of experimental data resulting from experiments which the BBA has made itself, or data which it has acquired.
- (3) Taking into account the guaranty to be taken over by the I.G. ( Art. 5 ), the BBA shall bear in mind the points of advice given by the I.G. which are of significance for the fulfillment of the guaranty. The I.G. shall point out as such to the plant management of the BBA the cases which are important for the fulfillment of the guaranty. Should the BBA wish to deviate from the advice of the I.G., then the I.G. is to notify the Vorstand of the BBA in writing whether and to what extent the deviation can exert an influence on the guaranty of the I.G.
- (4) Current technical assistance in the form of the I.G.'s own experimental data shall be given without charge both verbally and in writing. Should the I.G. send out help at the request of the BBA, however, or carry out experiments in plants of the I.G., or work out projects at its own expenses, it shall be reimbursed. In the same way the I.G. shall be entitled to reimbursement of its net-expenses, in so far as it gives the BBA technical support in connection with the utilization of processes which do not

( page 13 of original )

originate within the I.G. or one of their direct or indirect licensees.

- (5) The BBA undertakes to obtain the necessary catalyzers from the I.G. Should the BBA itself, however, be the inventor or producer of new catalyzers which can be patented, or should the simplicity of the production of the catalyzers make delivery by the I.G. appear an unreasonable proposition from the economic point of view, the license granted to the BBA shall extend also to the production of such catalyzers. The I.G. undertakes to furnish the catalyzers at cost price. By this shall be understood the actual cost of manufacture, including the due proportion of the general overhead expenses, amortization values and interest on the capital involved.

( page 13 of original, cont'd )

- (6) The I.G. undertakes to furnish the BBA with the lye required for the alkacide plant on the same terms as those offered to its other German hydrogenation licensees. The BBA undertakes to obtain the lye required for the alkacid plant from the I.G. The BBA shall be freed from this obligation, should it itself produce a new detergent which can be patented or should a third party offer such a detergent, which, taking into account all circumstances, leads to a better economic result than the lye of the I.G. Before utilizing such a lye, the BBA shall, however, give the I.G. an opportunity to state its attitude.
- (7) The parties shall mutually permit inspection of their plants producing goods covered by the contract.

Art. 9

Exchange of Experimental Data

- (1) The parties shall make a complete exchange of present and future patented and unpatented experimental data in the field covered by the contract. The exchange of experimental data shall be undertaken between the parties according to the method employed by the I.G. in connection with its other partners in the field covered by the contract; in the case of improvements which can be protected, notification is to be given to the other contracting party directly

( page 14 of original )

after the application of the latest, in the case of other experimental data, when they are introduced into the plant.

- (2) Taking into account the fact that the I.G. makes available to the BBA within the range of this license contract for the field licensed, in addition to its own present and future " Patents and Experimental Data in the Field of Hydrogenation", also those of its direct and indirect licensees, at home and abroad ( cf. Art. 3, Par. 1 ) the BBA shall grant to the I.G. free of charge an exclusive, transferable license for its present and future " Patents and Experimental Data in the Field of Hydrogenation " ( cf. Art. 2, Par. 2 ), as follows:
- (a) for Germany : for the I.G.'s own plants, and for transmission to the other licensees of the I.G.;
- (b) for the world outside Germany: for transmission to the direct and indirect licensees of the I.G. outside Germany ( Part. 3, Sec. 1 b ).

( page 14 of original, cont'd )

- (3) With reference to those protected or unprotected inventions and experimental data which can be used both within the field of hydrogenation and outside it ( for instance, experimental data which concern the production of hydrogen ), the following is agreed upon : on the basis of this contract, the field of work covered by the license, the BBA also has a claim on the I.G.'s own inventions and experimental data obtained outside the field of hydrogenation, in so far as they are useful for the field of work covered by the license; taking this into account, the BBA shall give permission to the I.G., without charge, to use the inventions and experimental data put at the disposal of the I.G. in accordance with Para. 2 in its own plants outside the field of hydrogenation also; the BBA shall also give permission to the I.G., without charge, to make available the inventions and experimental data of the BBA put at the disposal of the I.G. in accordance with Para. 2, to those licensees of the I.G. outside the field of hydrogenation, who are obliged on the basis of contracts to make available to the I.G. their own corresponding inventions and experimental data in such a way that the I.G. is in a position to make available those inventions and experimental data to the BBA for use in the licensed plant.

.....  
( page 15 of original )

Berlin, 14 June 1935

Ludwigshafen/Rhine, 22.  
August 1935.

BRUNNENHLE - BENZIN ANTI MESELSCHAFT

I.G. FARBEINDUSTRIE

signed Brackelberg

signed Koppenberg

ANTIEMESELSCHEFT

signed Krauch

signed Kranofuss

signed Guetefisch

p.p.  
Duden

( page 21 of original )

Braunkohle-Benzin Aktiengesellschaft  
Berlin - C  
Schinkelplatz 1

Ludwigshafen/Rhine, 22 August 1935.

You have requested that we extend the license granted to you in the field of lignite hydrogenation to coal and its derivatives as basic materials. With regard to this we have declared that we are ready to meet this wish. But we have pointed out that the German Bergius patents, in so far as they concern coal and their derivatives or are applicable to them, belong to the Kobergin A.G. 65% of the shares of this company belong to us, 35% to the Gesellschaft fuer Teerverwertung G.m.b.H. ( Company for the Utilization of Tar ). We therefore cannot make these patents available to you offhand. But at your request we promise you that we shall use our influence as stockholder of the Kobergin to ensure that you will receive from the Kobergin a license on suitable terms; we also promise that we shall charge the part of the license fee which is due to us in profits as stockholder of the Kobergin to the license fee owed by you directly to us, so that we shall receive a total of not more than the amounts due in accordance with Par. 6 of the license contract.

In accordance with your request we also confirm that the Fischer-Tropsch process, as long as it starts with gaseous products, does not come within the scope of the license contract, because the scope of the contract extends only to solid and liquid basic materials.

I.G. FARBENINDUSTRIE AKTIENGESELLSCHAFT

signed: Gust. Fisch

signed p.p. Duden

CERTIFICATE OF TRANSLATION

25 August 1947

I, HERBERT RODECK, B 397499, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of excerpts from document No. NI-7767.

HERBERT RODECK  
B 397499



-----  
TRANSLATION OF DOCUMENT NO. NI-9922  
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES  
# 1 -----

( Handwritten )  
Alteration of the  
Gasoline Contract

Oppau, 19 November 1936. Ca/Mi.

Office of Sparte I

Costs of Hydrogenation.  
-----

The total expenditure for hydrogenation, beginning in 1924 with the Oppau high-pressure experiments up until and including 1935, amounts to

**RM 482 Million,**  
-----

after deduction of the credit entries for gasoline deliveries and addition of the distillation experiments mainly based on nitrogen.

The authenticity of this figure can be proven from our books and can be examined at any time by an auditor. The years of development until 1929, in which the greatest costs were incurred, were thoroughly gone into by the auditor of Feinberg & Jacobs, New York, on instructions of Standard Oil.

The above amount contains all expenditure charged to hydrogenation, including participating auxiliary plants. That includes the actual costs of Merseburg production, as well as the experimental and laboratory costs of Oppau and Merseburg which are considered part of the hydrogenation development. In addition, the amount includes all investments for the Merseburg and Oppau hydrogenation plants until 1 January 1936.

The break-down of the above amount is as follows:

( page 2 of original )

|                                     |                    |
|-------------------------------------|--------------------|
| 1) Merseburg production expenditure | 328,299 Million RM |
| deductions for gasoline credit      | 180,908 "          |
| entries                             |                    |
| -----                               |                    |
| production expenses not covered     | 147,391 Million RM |
|                                     |                    |
| 2) Merseburg, experiments and       |                    |
| laboratory " "                      | 19,126 Million RM  |
| Oppau                               |                    |
| laboratory                          | 141,914 Million RM |
| Miscellaneous " "                   |                    |
| laboratory                          | 0,088 Million RM   |
| -----                               |                    |
|                                     | 308,519 Million RM |

TRANSLATION OF DOCUMENT No. HI-9722  
CONTINUED

( page 2 of original, cont'd )

|  |         |           |
|--|---------|-----------|
| 3) Herseburg, general, inventory losses etc. | 49,021  | Billion M |
| Oppau " " "                                  | 6,589   | Billion M |
| Miscellaneous " " "                          | 1,507   | Billion M |
| Property Tax                                 | 0,508   | Billion M |
|  | -----   |           |
|  | 366,144 | Billion M |
| Herseburg                                    | 2,726   | by K.19   |
| Oppau  | 7       | " " 19    |
|  | -----   |           |
|  | 368,877 |           |

This amount contains normal amortization  
as well as extra depreciations; added to this  
are the balances entered as of 1 January 1936, namely  
Herseburg, hydrogenation production-  
plants

|  |        |         |
|--|--------|---------|
|  | 57,962 | Billion |
| participating auxiliary plants                       | 28,176 | "       |
| Ludwigshafen and Oppau high-<br>pressure experiments | 3,293  | Billion |
|  | -----  |         |

which amounts, as shown in our books, to 455,575 Billion  
to which must be added 26,381 "

for Herseburg distillation experiments \*)  
and plants, which have not been accounted for  
1930/32

|                   |       |                 |
|-------------------|-------|-----------------|
| making a total of | ----- | 481,956 Billion |
|                   | ----- |                 |
|                   | 2,726 |                 |
|                   | 7     |                 |
|                   | ----- | 484,689         |
|                   | ----- |                 |

\*) Schneider and Traut experiments.

(page 3 of original)

This includes all expenditure for production, experiments and hydrogenation plants not covered by the proceeds from gasoline sales.

These figures do not contain expenditure for general gasification experiments, nor for the Linker generators of the early years. Only when normal production was started at the end of 1932, was the proportion of expenditure for Linker generators included as an auxiliary plant delivering crude gas and power.

In order to make a statistical evaluation of the above sum, it is necessary to consider in more detail the over-all situation of the Buna Werke, or rather the relation of nitrogen and gasoline at Hirschberg during the last few years.

Hydrogenation at Buna was mainly developed in 1927, at a time when production of nitrogen could still be considered good. At that time, this fact aided hydrogenation by reduced costs of the auxiliary and general plants.

During the time when nitrogen production was declining, -the reduction started in 1927 and reached its lowest point in 1931 - the idle plants of the Hirschberg Werke went over more and more to hydrogenation, so that the advantage existing for hydrogenation in the beginning was again compensated. Actually, the effects were not felt until 1930, as the general wage and salary reductions did not at once go hand in hand with the reduced production.

If hydrogenation had not then taken its share in the fixed costs of Hirschberg, these costs would have had to be charged to nitrogen, that is to say, to the Sparte.

(page 4 of original)

For this reason, the losses for 1930 - 32 arising from actual production expenditure, as shown in the books, cannot really be considered hydrogenation losses.

Taking the prime costs and leaving out direct amortization, which had to be borne by hydrogenation, anyway, one can approximately compute from the remaining materials used and from expenses the part of Hirschberg's fixed costs taken over by hydrogenation. This still amounted to about 26 Million RM for the period 1930 - 32. In this period, therefore, there were no production losses on hydrogenation in terms of cash.

With the continuing development and increase of hydrogenation facilities from 1933 on, the gasoline plant was increasingly used to carry part of the costs of the general and auxiliary Hirschberg plants and thus necessarily contributed to the lowering of nitrogen prices.

We have computed this price lowering in earlier reports. It amounts to about 34 Million RM for the years 1933 - 35. In consideration of this circumstance, there is actually a hydrogenation profit from 1934 on, instead of a loss, as shown in the books.

TRANSLATION OF DOCUMENT No. NI-9922  
CONTINUED

(page 4 of original cont'd)

In order to find the real hydrogenation losses as from 1924 we must deduct from the total expenditure of 402 Mill. RM mentioned in the beginning the remaining Harsburg balance as of 1 January 1936 included in it which will be normally amortized in the next few years which leaves - 66 Mill. RM - 396 Mill. RM

Besides this, the remaining loss must also be reduced in order to arrive at the shares in the auxiliary and general factory plants taken over in 1930 - 32 from nitrogen, amounting to 26 Mill. RM - 370 Mill. RM

(page 5 of original)

Furthermore, the lowering of the nitrogen price during 1933 - 35 brought a credit of 34 Mill. RM so that seen from this angle the hydrogenation loss not covered comes to - 336 Mill. RM

As mentioned at the beginning, the total expenditure for hydrogenation does not include costs of gasification experiments made in the previous years. Proportionate costs of the Winkler plants are computed through the use of crude gas and power (Kraftgas), but not until the start of regular production at the end of 1932 and the beginning of 1933.

The actual experimental costs of gasification or Winkler-generator experiments, including installation costs, amounted to 24,722 Mill. RM.

As already mentioned, costs of the Winkler plants are being computed. In order to arrive at the invested installation costs of these plants we have added extra depreciations, Nabe amortization, as well as remaining book balances now operating to the normal amortizations of these plants computed so far. Added to this are the book balances of former gasification plants, which are now serving other purposes, as well as maintenance and dismantling costs at idle gasification plants, so that the total investment for the Winkler plants in Harsburg amounts to about 31,000 Mill. RM.

If we add the operating costs of the idle line railroad, the installation costs, including previous experiments, amount to a total sum of about 53,073 Mill. RM

(Handwritten)

19.11.36

(Initials)

Illegible

CERTIFICATE OF TRANSLATION 5 September 1947

I, SAMUEL S. HORN, AGO No. 443113, hereby certify that I am a duly appointed translator for the German and English languages and that the above is a true and correct translation of the document No. NI-9922.

SAMUEL S. HORN, AGO No. 443113.



Subject: Leuna Gasoline.

In the year of 1931, an assignment was given to me by the Administration Committee (Verwaltungsausschuss) to prepare in conjunction with Dr. MOEG, of Wolfen Farben, and de Gaus of Ludwigshafen, an experts' opinion on the situation as a whole of the production of gasoline. The finding was that at that time a minimum price of 23 Pfennigs per liter had been reached, which even further improvements could not help to reduce considerably. Up to then, approximately 400 million Reichsmarks had been spent for experiments and the development of Oppau and Leuna.

One therefore was of the opinion that such high expenditures which had to be paid for out of the profits from other products could no longer be justified.

In my opinion one could not continue to work without special subventions. On principle, I was, as a matter of fact, against any kind of subventions by the State because this would lead of necessity to influence by the state. One should rather close down the plant.

I heard from others that though the production of gasoline was unprofitable, by-products were obtained on the basis of which a new chemistry could be built up, offering great prospects for the future.

2 May 1947

(signature): JAEHNE

Written and signed in my presence

(signature): Peter H. MILLER, Interrogator:  
U.S. Civ. D-145338, O.C.C.W.

CERTIFICATE OF TRANSLATION

I, HERTHA C. KNUTH, AGO No. X-046355, hereby certify that I am thoroughly conversant with the English and German languages, and that the above is a true and correct translation of Document No. HL-6765.

HERTHA C. KNUTH,  
U.S. Civilian  
AGO No. X-046355

( E N D )

TRANSLATION OF DOCUMENT No. NI-5931  
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES

file  
R.L.M.

I.G. FARBEINDUSTRIE AKTIENGESELLSCHAFT LUDWIGSHAFEN/RAHIN  
Department for Nitrogen

Herrn Krauch

Confidential

TO:  
Reich Air Ministry  
Attention of Dipl. Ing. Muecklich,  
Berlin W 8,  
Behrenstrasse 68/70.

HC/Op.390

3 July 1935/KL.

With reference to today's telephone conversation between you and the undersigned ( signature on the right ) we inform you that we have manufactured a sample quantity of the new lubricating oil which we are holding for you ready for dispatch. We can deliver to you 10 liters or more at once. It is also in our interest, in order to carry on with our work, that you test this oil soon.

With regard to your memorandum of 24 June 1935 we would like to inform you, as already mentioned by telephone that the price for Methanol was fixed at RM 0,25 per kilogram ex works and furthermore that it was assumed that the resultant quantities of Isohexane and Isoheptane as well as Isooctane were to be taken over at the same price.

Regarding the American price of RM 0,19 per liter for Isooctane we feel inclined to think that you based your calculations on the present rate of exchange of RM 2,50 to the dollar. That is of course correct if one considers the price from the buyer's point of view. It is, however, not correct if one makes the comparison according to producer's costs. After the devaluation of the dollar no in any way considerable

( page 2 of original )

change in production costs ( raw materials, wages etc. ) has taken place in America. If one converts these costs at the rate of RM 2,50 = 1 \$ the production costs show an apparent decrease of 40%. A correct comparison of production costs can therefore only be made if one works on the previous exchange rate of RM 4,20 = 1\$. In the case in question 1 liter of Isooctane would then not cost RM 0,19 but RM 0,32. We have already mentioned before that the original product Isobutylene is contained in the waste gas of the

( page 2 of original, cont'd )

American refineries and was up to now only utilized as heating gas. As such it costs practically nothing. In our case, however, the point is that we have to manufacture Isobutylene ( see our letter of 5 April 1935 to the Reich Air Ministry), and that Isobutylene itself makes up the main part of the price of RM 0.60 to 0.70 per liter which we quote.

With reference to the submission of tenders for the development of products which you invited on page 3, paragraph III, we understand that in the case of Isocetane development is proceeding satisfactorily. With regard to the development of the synthetic lubricating oil which is now starting we made a verbal proposal to you which we wish to repeat. We bind ourselves to carry out the work in question with the utmost dispatch. Should useable oils be produced, you would buy them from us at a price of appr. RM 2.50 to 3.- per liter. It is expected that the original quantity would be appr. 5 tons.

In regard to the production of lubricating oils from German crude oils

( page 3 of original )

we would like to submit to you our proposals only after our new installation has been finished.

We shall come back to the last paragraph of your memorandum after we have discussed the question further.

German Greetings

I.G. FARBENINDUSTRIE AKTIENGESELLSCHAFT

signed : Fahrenheit

signed: p.p.  
Mueller-Cunradi

✓ Herrn Dir. Dr. Krauch, Oppau  
" Dir. Dr. Schneider, Louisa  
" Dr. C. Mueller, Prof. Bauro, Op.

TRANSLATION OF DOCUMENT No. NI-5931  
CONTINUED

Copy

The Reich Air Minister

Berlin W 8, 27 June 1935. W1  
Behrenstr. 68/70

LC II 2 o  
LC II No. 9351/35

Registered letter (Wertbrief)  
Strictly confidential

To

I.G. Farbenindustrie Aktiengesellschaft  
Department for oils,

Attention: Mr. KASTEL,

BERLIN NW 7  
Unter den Linden 78

Subject: Dr. MUELLER-CUNRADI

Enclosed please find record of conference in Ludwigshafen-Oppau  
on 21 June 1935 with the request to forward it to Dr. MUELLER-CUNRADI.

It is pointed out particularly that this record should be treated  
as strictly confidential.

On behalf of

signed: MUECKLICH

Enclosure

1 Record  
-----



LC II 2 a

Berlin, 24 June 1935 5

Strictly confidential !

7 copies  
7th copy

Record

Subject: Development of special fuels and lubricants by I.G.  
Conference with I.G. on 21 June 1935 in Ludwigshafen-Opau  
followed by inspection of the experimental installations.

Present: Dr. MUELLER-GUENADI, I.G.  
Dr. HAGEMANN, Army Ordnance Branch (He Pruf 6)  
Dipl. Ing. RUECKLECH, Reich Air Ministry (LC II 2 a)

I. Iso-Octane production (Op. 105/3).

The experimental installation for the production of 1000 liters of Iso-Octane per day was started at the end of May 1935 as planned and is working satisfactorily. On the basis of experience gained in the works up to now the I.G. will probably be able to dispense with further stages of development and be able to submit exact proposals to the Reich Air Ministry for the large installation planned at Waldenburg by 10 July 1935.

According to non-obligatory information from the I.G. a price of RM. 0,60 to 0,70 per liter of iso-Octane is to be expected for the time being, if a price of RM. 0,25 per liter for the resultant Methanol can be obtained. Under more favorable production conditions in America a price of RM. 0,19 per liter of iso-Octane is quoted. The I.G. will make every effort to make the process more economical.

The experimental installation will shortly be able to increase production to 2000 liters per day and is accumulating stocks in order to have sufficient quantities available for the tests of the Reich Air Ministry. (Up to now 10 cubic meters in stock).

The tests of the I.G. and the Army Ordnance Branch concerning the use of the Methanol for automobile motors which is produced in the proportion of 2 1/2 to one had favorable results. Apart from mixing with normal automobile fuel (up to 10%) the use of pure Methanol is being tried out which, according to information from the I.G., can be carried out without much difficulty by using an additional device for the carburettor (partial combustion through sparking plug).

(page 1 of original, cont'd)

In a conference planned for 10 July 1935 between the Reich Air Ministry and I.G. the decisions of the Reich Air Ministry are to be facilitated by giving the following particulars:

- 1) I.G. makes known its proposals in regard to large-scale production of Octene in Waldenburg.
- 2) I.G. reports on its experiments about the utilization of Methanol.
- 3) Army Ordnance Branch (Wa Prüf.6) states in connection with the Military Economic Office (Wehrwirtschaftsamt) to what extent Methanol can be taken over for use in motor vehicles.

On the basis of this information the Reich Air Ministry will decide in what quantities production of iso-Octene will be considered for their purposes.

(page 2 of original)

## II. Development of lubricants.

The I.G. is engaged in the development of

- 1) Lubricant auxiliaries (Opanol)
- 2) Refining process (with selective solvents)
- 3) Pure synthetic lubricants (from Olefin gases)

The I.G. provides an experimental installation at Oppau which will be ready to operate by the end of August 1935 in order to be able to test all possibilities.

In order to meet the special demands of lubricating aeroplane motors, it is desirable that the I.G. should again take up the relevant work in the fields of the Voltol process and pressure hydrogenation. Rejection of these processes due to the fact that they are uneconomical cannot be a primary consideration for the purposes of the Reich Air Ministry if production of extremely high-quality materials for a limited sphere of utilization can be achieved with their help.

The I.G. will comply with this suggestion by submitting definite proposals as soon as possible.

The Reich Air Ministry agrees to carry out motor tests on experimental oils in its own experimental stations until the I.G. has set up its own installations suitable for carrying out such tests. Lubricants made from German mineral oil (Baden, Nienhagen) and purely synthetic ones will be made available by the I.G. as early as July 1935.

Particularly promising seems the synthesis from Olefin-gases which has produced oils with excellent qualities by laboratory methods and utilizes Lunda waste gas.

TRANSLATION OF DOCUMENT No. NI-5931  
CONTINUED

(page 2 of original, cont'd)

III. Regulating the collaboration between the Reich Air Ministry and I.G.

The wishes of the Reich Air Ministry relating to developmental work will in future be conveyed to the I.G. orders to carry out developmental work for reasons of expediency, in order to obtain clarification of obligations on both sides.

The I.G. will comply with this proposal by submitting tenders for developmental work to the Reich Air Ministry as soon as possible.

IV. Ensuring secrecy of developmental work.

The I.G. is bound by contract to an extensive exchange of experience with Standard. This position seems intenable as far as developmental work which is being carried out for the Reich Air Ministry is concerned.

Therefore the Reich Air Ministry will soon conduct an extensive examination of applications for patents of the I.G.

Furthermore, the I.G. will suggest the necessary security measures to the Reich Air Ministry under special consideration of the situation.

Signed: MUECKELICH

25 June.

CERTIFICATE OF TRANSLATION

22 May 1947

I, Arthur MUECKELICH, Civ. No. 20191, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of the document No. NI-5931.

Arthur MUECKELICH  
Civ. No. 20191

TRANSLATION OF DOCUMENT No. NI-9088  
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES

Reich Ministry of Aviation  
L.C. No. 5391/34 III 51 Top Secret

Berlin W 8, 4th Sept. 1934  
Behrenstr. 68-70  
Telephone: A 2 Flora 0047  
Telegraphic address:  
Reichsluft Berlin

Stamp: TOP SECRET

illegible initial, 6 September

Received 6 Sept. 1934 (various initials)  
II X)

B 6 Sept.

Stamp: 6 September 1934

To:  
The Army Ordnance Office  
For the attention of Major BECHT  
Berlin.

Subject: Fuel for Aircraft Engines.

Enclosed please find the Memorandum (Copy No. 5) on the conference dealing with the above matter, held in the premises of the Chief of Office, C on 20 August of this year.

Ms. 12 September 1934 By order

signature: HEYDENRICH

Ms. VIII  
(Army Ordnance Office -  
Military Economy Branch)

U.P. Production and Examination Group 6 of Army Ordnance Office  
(For perusal and return to  
Army Ordnance Office, Production  
and Examination Group 6)

for perusal and early return

12 Sept. By order  
signature: BECHT

24 November 1934

1 Enclosure:

Stamp:  
Production and Examination Group 6 of Army  
Ordnance Office Registry No. 687/34 R TS  
in: 12 Sept. 1934 out: 13 Nov. 1934

Ms. X) The plans of the Ministry of Aviation must be incorporated in the Mineral Oil Plan.

Ms. VIII 23 November Initial K  
VI B 27 November

It must be clearly understood by the Reich Ministry of Aviation and I.C. Farben that for all important decisions, the cooperation of the Army Ordnance Office (Economics Branch), and the authority of the same are required.

Please file with lecture by Office Chief of Office C.G.

No. 1714/34 Top Secret Economics Branch of Army Ordnance  
Office. 67 b

illegible  
marginal  
note



(page 2 of original)

L.G. III 51

27th August 1934

8 copies  
Copy No. 5

Stamp: Top SECRET

Memorandum.

Subject: Fuel for Aircraft Engines.

During a conference held in the Premises of the Chief of Office LC on 20 August 1934, attended by: "The Chief Engineer, representatives of Departments LC I, LC II, LC III, D.V.L. (Deutsche Versuchsanstalt fuer Luftfahrt - German Institute for Aviation Research), Army Ordnance Office (Major E CMT), Reich Ministry of Economics (Ministerialrat WMLT), I.G. Farben (Dr. Mueller-Gunradi) it transpired that the following was the situation as far as the aviation fuel problem in Germany was concerned:

A. Leuna Gasoline.

According to present research data, when the expansion of the Leuna Works to its final capacity of 350,000 tons a year, had been completed by the middle of 1935, two kinds of fuel probably suitable for aircraft engines, could be produced.

Ms. Marginal  
can use be made of  
it right now?  
Initial: "

1.) Leuna II, aviation spirit (approximately 52,000 tons per year - approximately 1/7 of the total production after the completion of the expansion of Leuna on 1 July 1935), with an octane number of approximately 70 to 72, if the raw materials lignite and coal tar continued to be available, in the same quantities as hitherto, to be improved by lead tetra ethyl to an octane number of approximately 87, and

2.) Leuna III, aviation spirit (approximately 52,300 tons per year) with an octane number of approximately 65, if the raw material lignite alone were available, to be improved by mono methyl aniline to an octane number of approx. 73 and further improved by lead tetra ethyl to an octane number of approximately 87.

Ms. Marginal  
Why not?  
Initial: "  
Fuel oil

Leuna II of the quality so far required, could only be produced if the raw materials lignite and coal tar continued to be available in the same quantities as hitherto. If lignite were the only raw material available, only Leuna III could be produced in greater quantities.

TRANSLATION OF DOCUMENT F.WI-9088  
CONTINUED

(page 2 of original cont'd)

At the time Leuna III could be produced only in small quantities and by the application of special measures, as the hydrogenation process, which in its various phases formed a complete circuit at the time used. 65% of the raw materials lignite and coal tar and only approximately 35% of the raw material lignite, rendering separation in the gaseous state impossible at that time.

EE: L.C. 5391. 34 Top Secret  
cross ref.

Cross ref.

No. 1714/34 Top Secret Economics Department  
of Army Ordnance Office.

(page 3 of original)

Only the installation of special equipment, for which a construction period of 4 to 5 months was required, would admit of regular production of Leuna III on a fairly large scale within the framework of Leuna production.

The discussion revealed that the expansion of Leuna, even after its completion, would depend on the use of considerable quantities of the raw materials lignite and coal tar. Should a shortage of these materials occur, the projected maximum capacity would decrease considerably. (Estimate based on prevailing production conditions, approximately 70,000 tons).

A complete change-over to lignite would thus be required only after a further enlargement of the plant for the preparation of lignite and the erection of additional new contact-furnaces for the same phase which differs in lignite preparation from that used for tars.

The J.G. representative could give no satisfactory information on the subject and was therefore asked to furnish without delay a definite reply to the question: "WHAT WILL BE THE MAXIMUM CAPACITY OF LEUNA WORKS IN THE YEAR OF 1935 AFTER THE COMPLETION OF THE EXPANSION, IF THE RAW MATERIALS LIGNITE AND COAL TAR CEASE TO BE AVAILABLE."

For the same reason, the acceleration of tests to ascertain the suitability for aircraft engines of Leuna III, appears to be even more important than the tests on Leuna II, as, in the event of war, such a situation must be reckoned with.

In addition to Leuna II and Leuna III yet a third Leuna gasoline is to be tested. Of the total production of this, approximately 40% occurs as aviation spirit. In the opinion of the J.G. representative, this quality would involve a deviation from present requirements with respect to the boiling point curve, in accordance with which 95% must reach boiling point at 150° C. By raising

(page 3 of original cont'd)

boiling point to 180° C, it will probably be possible to obtain a yield of as much as approximately 90% of the total output in aviation spirit.

I.G. II stated that a final judgment on the results of the Leuna III tests could be expected in three months.

The I.G. representative set the period for which Leuna gasoline could be stored at approximately 1 year. Experimental data on the subject, however, were not as yet available.

I.G. would supply sufficient quantities of Leuna III for tests on a limited scale in as short a time as approximately 4 weeks.

Leuna believed that it could still observe 1 July 1935 as the final date for the completion of the expansion. No reply could be given by the I.G. representative to the question as to whether the expansion could be still further accelerated.

(page 4 of original)

#### B. Mono methyl aniline.

For the improvement of Leuna III from 65 octane to approximately 73 octane, an admixture of about 1% monomethyl aniline is required, but at present this is manufactured only in the I.G. plant at Urdingen on Rhine.

Suitable plants in I.G. (?) might be built in about 3 to 4 months. For example, such a plant might be added to the Leuna Works or to the I.G. Works at Solfen.

What are the present production and sales figures?

The I.G. is instructed as soon as possible to submit proposals and cost estimates, for a plant producing 750 tons a year of mono methyl aniline at the same time stating the construction time required. I.G. agrees to, the first plant of this kind being built as an addition to the Leuna Works.

#### C. Lead tetra-ethyl.

I.G. is asked to conduct negotiations as quickly as possible for a license for the production of lead tetra-ethyl. If at all possible an attempt should be made to obtain a general license permitting production of unlimited quantities.

No production plant available in Germany!

Only if this is impossible should a license for a limited quantity be accepted, i.e. for the production of 1 ton per day. It is intended either to build this plant with a considerably greater potential capacity, and only to produce 360 tons a year for the time being, or alternatively to build one or two more plants and keep them operational.

(page 4 of original cont'd)

D. Methanol.

"extended" ?  
converted ! The highest present output is approximately 25 to 30,000 tons a year (in the nitrogen branch of the Leuna works and in Waldenburg). It would be possible without much difficulty to meet even larger demands by converting idle nitrogen plants. This would not take long (about 3 months). If all nitrogen plants which are at present idle were to be converted, an output potential of 300,000 tons a year would be available.

misunderstand-  
in ! ?

The Army Ordnance Office is asked to find out as quickly as possible to what extent such nitrogen plants are available for the production of methanol (have promised reply within 8 days). In the A-Fall a proportion of the nitrogen plants would probably remain available for this purpose as nitrogen fertilizers would in that case presumably no longer be produced.

Though methanol possesses a fewer heat units than ordinary propellants, its anti-knock quality - 110 to 120 octane - is very good (alcohol - 96 octane).

(page 5 of original)

I.G. is at present experimenting with the admixture of spirit to motor-fuels in the form of 85% ethyl alcohol and 15% methanol. Up to now this has led to no complaints and difficulties.

motor-cars  
altogether,  
partly air-  
craft as  
well

Considering the ease with which large quantities of methanol could be produced, it is of the utmost urgency that tests be carried out with the employment of methanol in the vehicles of the Army (Wehrmacht).

E. Isooctane (and Dodecane).

The manufacture of Isooctane is based on water gas, which hitherto had been produced from pit-coal coke and also, employing a newer technique, exclusively from lignite (if necessary, from lignite coke as well.) The new technique presents no difficulty. For the contacts zinc and chromium are required, which are, however, not subject to any appreciable consumption (1/10000 of the quantity of raw material processed).

The use of Iso-octane as propellant was hitherto prevented primarily on account of its production cost of RM 8.-- to RM 9.--. I.G. is now working on a process based on iso-butyl alcohol in which the experimental manufacturing costs are only to RM 2.-- to RM 3.--. In large-scale manufacture (from about 10,000 tons a year on) these production costs can probably be lowered to about 60 to 70 Pfennigs.



(page 5 of original cont'd)

The construction costs of a plant for about 10,000 tons a year which would be added to the Leuna Works, where a considerable proportion of the equipment necessary for production is already available in the nitrogen section, are estimated at about 3 to 4,000,000.- RM, and the time of construction at about 4 to 5 months.

I.G. is asked as quickly as possible to submit a plan, including cost estimates and statement of the construction time needed, for a plant of 100,000 tons a year (as an independent plant, not attached to an already existing works).

In the production of Iso-octane approximately double the quantity of methanol is obtained as by-product. Here also, an investigation of its usefulness as fuel for civilian industrial purposes and vehicles of the army (Reichswehr) is of particular importance.

L.O. II is of the opinion that Iso-octane cannot be used as a fuel in gasoline engines but only in engines provided with fuel injection devices. Two BMW (Bayerische Motoren-Werke) IV engines with a fuel injection device are to be tested at BMW's in September 1934.

Laboratory experiments with Iso-octane are successfully being carried out at TLV (Deutsche Versuchsanstalt fuer Luftfahrt - German Aviation Research Bureau) and the very near future tests will be made with it with one-cylinder engine.

(page 6 of original)

C.II sets the time for the development of an engine for Iso-octane at 1 $\frac{1}{2}$  to 2 years. C.II is to carry out this test as rapidly as possible.

The I.G. representative believes, contrary to the opinion held by C.II, that Iso-octane can also be employed in gasoline engines by means of an admixture of Hexene and Heptylene or similar chemicals. I.G. will submit suitable proposals and samples to C.II in the near future.

Dodecane is produced from the same raw materials as Iso-octane, could however at the same time be called a safety fuel on account of its high flash point. Its employment, however, requires that a tested engine with a fuel injection device be available.

Both substances are also said to possess perfect keeping qualities.

#### F. Lubricants.

The work on the synthetic production of high grade aero engine lubricants, as well as from German raw materials in general, has made very little progress as yet. The experiments have hardly gone beyond the laboratory stage.

TRANSLATION OF DOCUMENT G.NI-9088  
CONTINUED

(page 6 of original cont'd)

I.G., according to their own statements, have experimentally been using a lubricant in their own plants which is manufactured from about 70% machine oil and 30% synthetic oils. Paraffin is being used as a raw material in the production of synthetic oils.

Only insufficient quantities of paraffin are available in Germany. Even now, approximately 50% of the demand is imported. In the A-Fall the quantity of paraffin available will be insufficient as it is needed as the sole raw material for the manufacture of candles.

For the production of synthetic lubricants paraffin is the best and most promising raw material. I.G. believes that with a very precise hydration method, lubricants might be obtained from lignite, as paraffin is produced as by-product at the same time. The quantities which might be obtained through this, cannot, however, be estimated as yet.

In these circumstances an improvement of the lubricants situation cannot be expected as a result of these experiments. On account of their extreme importance further tests must be carried out without delay.

(page 7 of original)

I.G. also hopes to be able to produce 70% of very good oils and about 30% of still fair quality oils from German mineral oil. These experiments, however, are still in their very earliest stage and one must on no account expect results from them for some time.

In the opinion of I.G. perhaps 100,000 tons of lubricants can be produced from the present German crude oil output of 300,000 tons a year (in the opinion of other experts only about 70,000 tons a year). Of this, however, only the comparatively small proportion of at most about 10 to 12,000 tons a year of high grade engine lubricants would be obtained. It is still very doubtful whether they would be at all suitable for aviation engines.

Experiments in the distillation of mineral oil can be speeded up and I.G. promises to supply within 4 to 6 weeks, possibly still earlier, a quantity of 50 litres of lubricants which had been obtained in this way.

May. 27 August 1934  
(Heydenreich) (?)

Distribution list:

1st copy to  
2nd copy to  
3rd " "  
4th " "  
5th " "  
6th " "  
7th " "  
8th " "

TRANSLATION OF DOCUMENT No. NI-9088  
CONTINUED

CERTIFICATE OF TRANSLATION

9 September 1947

I, Arthur MACNA'APA, AGO No. 20 191, hereby certify that I am  
a duly appointed translator for the German and English languages  
and that the above is a true and correct translation of the  
document No. NI-9088.

.....  
Arthur MACNA'APA  
AGO No. 20 191

TRANSLATION OF DOCUMENT No. NI-355  
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES

The Chief of Economy Group  
Chemical Industry

To the

Reichswirtschaftskammer,  
(National Economic Chamber)

Berlin, 9 October 1935.

B e r l i n N W. 7  
Neue Wilhelm Str. 9/11

Dr. Hk./Do.

Subject: Request for the issuance of a supplement to regulation concerning the key for the apportionment of production by the chemical industry.

I am requesting that the enclosed supplementary regulation be issued. This regulation is urgently necessary from the view point of political economy and military policy as I had already mentioned in my request of 3 June 1935 to the Reich and Prussian Ministry of Economics with which I asked for the approval of the key for the apportionment of production for the Economic Group Chemical Industry.

This involves the question of products of the petroleum and tar oil distillation for which the competition by foreign oil concerns is extremely keen and for which the inland production must be promoted by all means. If these products were burdened with the export promotion tax while the import remains exempt from the assessment, the foreign oil concerns would import the finished products instead of their raw oils. In addition to this, the effort of the Reich Government by all means also to raise the production of inland raw materials would be defeated in the inception.

In the case of benzol which to a major part is obtained in coking hard coal, and, to a smaller degree incidental to the distillation of hard coal tar, a most undesirable shifting for the situation of domestic competition would occur in addition, by reason of the fact that the benzol obtained incidental to coking is exempt from assessment as it is a part of the mining production while that part of the benzol production which is derived from the distillation of tar would be subject to the assessment of taxes as a product of the chemical industry.

This also explains why the Reich and Prussian Minister of Economics in the enclosed letter of 2 July 1935 - 3 1/ 11141/35 has suggested to the Economic Group Chemical Industry to provide a favored position for the products mentioned by a change of the key of distribution.



( Page 2 of the Original )

After careful consideration I have decided to follow this suggestion although I am aware of the fact that thereby it will be made still more difficult to raise the amount assessed for the chemical industry.

Heil Hitler!  
(signed) typed Klemm

Chief  
of the Economic Group Chemical Industry.

( Page 3 of the original )

Text of the supplementary regulation requested by letter of 9 October 1935 to the Reichswirtschaftskammer (National Economic Chamber).

-----

On the basis of the law concerning the assessment of taxes in the industrial economy, of 28 June 1935 (RGBl.S.812, Reich Law Gazette p.812), the Appendix to Regulation 2 for the Economic Group Chemical Industry is broadened by the following provision:

7. Exempt from the assessment of taxes are the turn overs in:
- a) Benzine
  - b) Benzol
  - c) in the merchantable gas- and fuel oils, as far as they are used for internal-combustion motors Diesel (Diesel motors)
  - d) fuel oils
  - e) lubricating oils
  - f) paraffins

Berlin, 9 October 1935.

Dr.Mk./Bo.

CERTIFICATE OF TRANSLATION

I, HERTHA C. KNUTH, AGO No.X-046355, hereby certify that I am thoroughly conversant with the English and German languages; and that the above is a true and correct translation of Document No. NI-355.

HERTHA C.KNUTH,  
U.S.Civilian;  
AGO X-046355.

END

TRANSLATION OF EXCERPTS OF DOCUMENT  
No. MI-358  
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES.

ECONOMIS GROUP CHEMICAL INDUSTRY

Reich Ministry of Economics  
To Director BRINMANN

BERLIN  
Unter den Linden 33/35

Berlin W 35 20 May 1936  
Grossadmiral Prinz Heinrich  
Str. 19 (formerly Regenten-  
str. 16)  
Tel. B 2 Lutzow 9661  
Telegr. "Alchemie"

(Translator's Note:  
Handwritten note:)

Dept. C. 26

D. Immediate M 22

Very urgent!

Your ref.: Your letter of: E 1792636 Our Ref. Dr.Mk/M  
Day-Book No: EFA  
Quote Ref. and Day-Book

Re: Exceptional treatment of mineral oils as regards the tax for pro-  
motion of export.

The Economic Group Chemical Industry fundamentally levies the tax for promotion of export according to the taxable turnover; in 1935 the turnover for 1934 was decisive; in 1936 the turnover for 1935 is to be used as a basis.

This principle of distribution cannot be carried out in the case of the demand from the manufactures of certain mineral oils because of economic and military political reasons, so that exceptional treatment seems to be necessary.

The aim of the national socialist economy and military policy is that self-supply be extended as far as possible as regards motor fuel; that is, in the field of production of oil and tar-oil distillates. Tax legislation has adapted itself to this aim and the tax assessment procedure too has to adapt itself as regards the tax for the promotion of export.

.....  
Heil Hitler!

ECONOMIC GROUP CHEMICAL INDUSTRY

The Manager:

(signature) UNGEMITTER

CERTIFICATE OF TRANSLATION

I, Dorothea L. GALEWSKI, ETO No. 34079, hereby certify that I am thoroughly conversant with the English and German languages, and that the above is a true and correct translation of Document No. MI-358.

DOROTHEA L. GALEWSKI  
ETO No. 34.079

(E N D)

///

TRANSLATION OF DOCUMENT No. NI-357  
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES

Our Ref...  
day  
book

Please quote  
ref. and day  
book No. in  
reply

The Manager of the Economic Group Chemical  
Industry.  
No. EPA

Berlin W 35, 12 March 1937  
Gross Admiral-Prinz-Heinrich Str. 14  
(formerly Regenten Str.)  
Tel. Schwitzboard D-2 Luetzow....?  
Telegram address: "Alchimie".

To Reich Chamber of Economy  
Berlin NW 7  
Neue Wilhelmstrasse 9-11

Re: Extent of the levy for promotion of Export 1937/38, of the  
Economic Group Chemical Industry.

At a meeting of 5 March in the Reich Economics Ministry, the  
Economic Group Chemical Industry was asked to raise the following  
funds during the period 1 May 1937 to 30 April 1938:

- 1) On the total turnover of Germany, excluding cellulose wool  
RM 105,000,000, divided as follows:  
IG-Farben RM. 45,000,000  
the rest of the chemical industry " 60,000,000  
The inland turnover for 1936, excluding cellulose wool is used  
as a basis for the calculations.
- 2) In addition to the amounts mentioned under 1), IG Farben, as  
well as the rest of the chemical industry, is to pay contributio  
of 1% on the inland turnover of cellulose; hereby the inland  
turnover of the month preceeding the monthly term of payment is  
used as a basis for the calculations.

(Page 2 of original)

(Transl.'s note: handwritten:  
106)

Letter of Economic Group Chemical Industry  
to: Reich Chamber of Economy. Berlin W 7

7  
of 12 March 1937

I submitted the above tax for discussion to the Beirat (Advisory  
Board) of the Economic Group Chemical Industry on 5 March. The  
advisory Board asked me to draw the attention of the Reich Eco-  
nomics Ministry once more to the fact that the chemical industry  
is the greatest German export industry and as such already has  
to bear considerable contributions; which are not balanced even  
by the former export compensations.

Moreover, in the course of the 4 Year Plan the chemical industry  
had to raise considerable capital for new investments.

The new assessment means an increase of 40% of the last contribution debit. The inland turnover, however, of the rest of the chemical industry has only increased by a small percentage; that of IG-Farben too did not increase to the same extent as has the assessment.

I therefore beg you to examine once more, with consideration for the export business of the chemical industry and the capital liabilities due to the 4 Year Plan, whether a reduction of the amount of RM 105,000,000 could not be possible.

The Advisory Board gave me full power to settle the matter together with the authorities concerned and if absolutely necessary, to consent to the contribution demanded, in case these authorities believe that the general economic situation makes a reduction impossible.

My above statements concern the rest of the chemical industry as well as IG-Farben.

What I have written above about the chemical industry in general refers to IG-Farben to a greater extent, as that firm in particular is especially charged with tasks of the 4 Year Plan. IG declared, however, that it will refrain from requesting a reduction of its share, as that would cause an increase in the remainder of the levy.

(Page 3 of original)

(Transl.'s note: handwritten  
107 203)

Letter of Economic Group Chemical Industry  
To: Reich Chamber of Economy, Berlin NW 7

of 12 March 1937

The levy turnover mentioned under 2) concerns only the Special Group Chemical Production of Fibre. The Chief of this Special Group, Director Dr. GAJEWSKI, agreed to it in principle. He requests permission however, to confer with the Reich Economics Ministry as to how far, in the field of cellulose wool, this special levy can be considered as covered for IG-Farben, with regard to the lump sum payment of RM 45,000,000 which IG has to pay. I am herewith passing on Dr. Gajewski's request.

I will submit to you within a short time, my suggestions as to the composition of the contributions for the coming year and the regulations which will become necessary, through the management of Economic Group.

Finally, may I add, that, as I naturally presume, the inland turnover of chemical products, the production plants of which are not organized by the Economic Group Chemical Industry but by the Economic Group Mining Industry, will be levied in the same way as ordered for the Economic Group Chemical Industry, without consideration as to how far the Mining Industry as such will actually be subject to a levy for promotion of export.



Approval to this effect was already given during a conference on March 5 in the Reich Economics Ministry.

Heil Hitler!  
Economic Group Chemical Industry  
the Chief:  
signed: CLEMM

(Transl. Note: stamp: )

(Page 4 of original)

Economic Group Chemical Industry  
to Reich Economics Ministry  
Attention: Reichsbank Director Brinkmann  
Berlin W8

E 9250 37

(Transl's note: handwritten notes  
Dept. E 104  
9432737 (?) E

Berlin W35, 12 March 1937  
Gross Admiral Prinz Heinrich str.  
Tel. Schwitcheboard B-2 Luetzow...  
Telegram address: "Alchimie"

Your Ref. Your letter of Our ref.: Dr. Mck/Hrm.  
Day book No. EPA

Re: Extent of the Contribution for Promotion of Export  
1937/38 of the Economic Group Chemical Industry.

Dear Reichsbank Director,

Enclosed please find copy of our letter to the Reich Chamber of Economy, dated 12 March 1937, for your information.

Heil Hitler !  
Economic Group Chemical Industry  
The Manager:

(Transl's note: illegible signature)

Encl.

(Transl's note: illegible handwritten notes in margin)  
(Transl's note: handwritten note: .... (?) Heinemann/583 G)

CERTIFICATE OF TRANSLATION

I, DOROTHEA L. GALLEWSKI, HP 34079, hereby certify that I am thoroughly conversant with the English and German languages; and that the above is a true and correct translation of Doc. NI-357.

DOROTHEA L. GALLEWSKI,  
HP 34079

-3-  
END

Top Secret State affair  
Record of the Meeting of the  
Advisory Committee about Questions of  
Raw-Materials on 26 May 1936, at 4 o'clock.

Chairman: Minister President General GEBRING  
President of the Reichsbank and provisional Reich  
and Prussian Minister of Economics Dr. SCHACHT  
Reich Minister of Finance Count SCHWERIN v. KROSIGK,  
Prussian Minister of Finance Prof. Dr. POPITZ,  
KRITTEL Lieutenant General, Chief of the Wehrmacht Office;  
KOERNER State Secretary in the Prussian Ministry of State,  
KEPPLER Commissioner for Economics of the Fuehrer and  
Reich Chancellor;  
KUCH Supreme President, Gauleiter  
KROGHMANN Governing Mayor, Hamburg  
LOED Lieutenant Colonel of the General Staff  
NEUMANN State Councillor Ministerial Director in the  
Prussian State Ministry  
Dr. SARNOW Ministerial Director in the Reich Ministry of  
Economics  
SCHLATTMANN Chief Superintendent of Mines, Ministerial  
Director in the Reich Ministry of Economics  
BRINKMANN Director of the Reichsbank  
BLESSING Director of the Reichsbank  
Herbert  
L.W. GEBRING Chief Consultant (Generalreferent) in the  
Reich Ministry of Economics,  
Dr. TACHENLEITURG  
State Secretary in temporary retirement  
Fritz THYSSSEN  
State Councillor  
SCHMITZ Geheimrat, I.G. Farben A.G.  
Dr. SOCHUSSEN  
Dr. SPRINGENSEN  
Director General; Hoesch Bros., Dortmund  
V. EGGER Director General; United Steel Works A.G.  
FELCK Director General, Central German Steel Works A.G.  
Eskar HENSCHKE,  
Dr. DEUTNER,  
LANGE Director, Economic Group for Machine Construction  
Prof. WAGENMANN  
Institute for Research into Economic Cycles  
RUELBURG Ministerial Director in the Reich Ministry  
of Economics  
JUSTEN Ministerial Councillor in the Reich Ministry  
of Economics  
Dr. UNGERWITZ Economic Group for the Chemical Industry  
MUNDT Chief Government Councillor in the Reich  
Ministry of Finance  
FLEIGER KEITLER Office  
KEHRL KEITLER Office  
CZIMATIS Major, Reich Ministry of War and Staff for  
Raw Materials and Foreign Exchange

Beginning of the conference at 16.15 hrs.

Prime Minister GOERING:

Thanks everybody for appearing. Since export matters were discussed in the last meeting, a survey of the raw materials situation will be given this time. Sworn stenographers have been employed in order to provide all the gentlemen with transcripts.

Cooperation requested in this way, that if gentlemen do not want to speak at once, they will submit their ideas and experiences briefly in writing.

The chief purpose is the connection with actual practice. He emphasizes that the whole meeting is strictly confidential, and that everything, above all the figures given, will be treated as a State secret. The participants are responsible that any notes do not fall into the wrong hands.

Min. Dir. RUELBERG states that the stocks of raw material shrank to 1 - 2 months, while they were sufficient for 5 - 6 months in the beginning of 1934. The use of raw-material can be explained firstly by the revival of industry since 1933, and secondly by the sharp increase in armament.

|  | Quantity<br>in millions of tons |      | Value<br>in milliards<br>of RM |      |
|--|---------------------------------|------|--------------------------------|------|
|  | 1932                            | 1935 | 1932                           | 1935 |
| Total imports                                | 33                              | 47   | 4,6                            | 7,16 |
| Imports:                                     |                                 |      |                                |      |
| Industrial, raw and semi-processed materials | 22                              | 40   | 1,7                            | 2,1  |

In the spring of 1934 planned management was begun in order to equalize raw material stocks and raw material deficiencies in some places.

The new plan of September 1934 to place all imports under supervision brought an increase of the importation of industrial raw materials of vital importance with a decrease in the importation of manufactured goods.

The domestic raw material economy was improved by the activity of the newly organized supervisory offices, by collecting waste-material, increasing home

( Page 3 of original )

production, introducing substitute material and substitute metals. The raw materials which are available to us only through imports are classified according to imports as follows:

- 1.) Textiles
- 2.) Non-ferrous Metals,
- 3.) Iron and Steel
- 4.) Cellulose
- 5.) Hides and Furs
- 6.) Mineral Oils
- 7.) India Rubber
- 8.) The industrial fat supply.

|                          |             |
|--------------------------|-------------|
| Cotton Stock on 1. 4. 34 | 70 000 tons |
| 1. 4. 35                 | 25 000 tons |
| 1. 4. 36                 | 21 000 tons |

Average monthly consumption: 33 about 31 600 tons  
April 36 about 23 600 tons

This decrease in consumption was attained by reducing the amounts consumed to 60 percent.

The reduction of working hours made necessary by the reduced quantities could be kept at 42 hours per week because of the necessity for mixing in cellulose wool-which amounted to 8% at first and was now 16 - 20%.

As the present stock of cotton is only sufficient for 1/2 months - considerable remnants must be left in the interest of keeping an assortment - a further restriction of consumption to 22 000 tons per month is provided for.

Imports from the USA had to be reduced from 80% to 20%; as the necessary cash in foreign exchange was not available. This loss in imports could be made up for by imports from trade agreement countries such as

( Page 4 of original )

Brazil, the East Indies, Turkey, Belgium (Congo region), so that at present the demand is 80% covered.

For export and special purposes e.g. tires, 4 000 tons are required monthly, as mixtures can only be used in domestic fabrics, but not for army use and export.

|  |             |
|--|-------------|
| Wool: Stock on 1.4.34 (Wool and worsted) | 71 000 tons |
| Value 2500 RM per ton                    |             |
| on 1.4.35                                | 62 000 tons |
| on 1.4.36                                | 43 000 tons |

2. Monthly consumption: 1934: before rationing 10 000 tons  
1936: 6 400 tons

Reduced consumption was achieved by shortening working hours and quantities, and by voluntarily using a 10 to 30% mixture of reclaimed wool and cellulose wool. Up to autumn of this year 30 000 t will be required, which will presumably be received from South America, Chile and Argentina, by the trade agreement system. Nevertheless, we must count on a considerable deficit, which makes it necessary to allot 30 to 50 millions in foreign exchange for September and October. The annual production of German wool amounted to 5 200 tons in 1936.

Imports for 1935: 15% against foreign exchange in cash  
85% by clearing system.

In wool also no mixing is to be ordered for army use and export, which gives us an irreducible share of cash foreign



exchange for 1 500 tons per month.

[illegible]

Since about 400 000 tons are required annually for cotton and wool, the production of

( Page 5 of original )

about 60 - 70 000 tons of cellulose wool makes it possible to save about 1/6 of these foreign raw materials. By investing in new machines the production might be increased to 90 000 tons per year. In order to sell the cellulose wool we are endeavoring to make further use of cotton mixtures and to produce more goods from cellulose wool.

The mixed goods are difficult to export, as their quality is under suspicion; and they are mostly liable to a very high duty as silk goods, because of their similarity to silk.

Rayon: Domestic production: 1934                      1935  
37 000 tons      44 000 tons  
1936  
about 60 - 70 000 tons

Hemp: Stock on 1. 4. 34.....7 300 tons on 1. 4. 36...  
10 400 tons

It was possible to secure this favourable stockpile through a trade agreement with Italy, which must be named as the only source of supply. The cultivation of hemp is increasing, but the area under cultivation provides only 1/10 of the demand.

Area under cultivation; harvest

|              |          |          |           |            |
|--------------|----------|----------|-----------|------------|
|              | 1933     | 1934     | 1935      | 1936       |
| 210 hectares | 210 tons |          |           |            |
| 360 "        |          | 380 tons |           |            |
| 4 000 "      | -        |          | 2600 tons |            |
| 8 000 "      |          |          | about     | 6 000 tons |

Flax and flax-tow. Stock on 1.8.34 11 800 tons  
on 1.4.36 4 000 tons

The difficulty of procurement comes from differences of trade policy with Russia and Lithuania and other foreign sources of supply are very few. Therefore, the quantity of flax and flax-tow has been ordered reduced (20% of the state of supply of 1934/35).

( Page 6 of original )

Domestic flax cultivation is being revived, whereby we

hope to save a considerable amount of foreign exchange and later change over from cotton goods to linen goods.

Area under cultivation: 1934 3 000 hectares, 1935 23 000 hectares,  
1936 50 000 hectares

Domestic production: 1934 Straw-flax -27000 t - 5 400 tons  
long fibre and tow  
" " " " 1936 " " 200 000 t -

Min.Pres. GERRING: Asks what percentage of German needs is covered by domestic flax cultivation.

Min.Dir. RUELBURG: replies that domestic needs would be covered if the harvest were good.

Minister SCHACHT: regards the flax question as favourable. He emphasizes that an increase of flax growing would probably make a gap somewhere else, since not only new areas are being cultivated.

Min.Pres. GERRING: Does not consider these difficulties important under certain circumstances.

Min.Dir. RUELBURG: Mentions that cultivation has been made easier by two types of machines, which produce a fibre that can be spun from the green dried flax in one operation.

Min.Pres. GERRING: That makes the product cheaper too. The value of linen fabrics ought to be brought home to the public.

Min.Dir. RUELBURG: Reports that hard fibres are mostly used for binding thread; but 8 000 tons in the value of 3 mill. RM are lacking for this year. By collecting the used fibres we hope for a considerable saving.

Stock on 1.4.1934 10 000 tons, on 1.4.1936 6 000 tons

Min.Pres. GERRING: Where do we get this fibre from?

Min.Dir. RUELBURG: The sisal fibre mostly comes from the Philippines, from Manila, from German East Africa and Mexico.

( Page 7 of original )

Reference is made to the utilization of used ends of binding thread.

Jute: Stock on 1.4.1934 31 000 tons, on 1.3.1936 14 000 tons

Monthly demand in the beginning of 1934 10 000 tons, reduced today to 7 000 tons. We receive jute from British India

through the compensation system. As the agricultural demand for sacks (especially for the time of the sugar campaign) is still endangered, the used jute sacks will be rationed. Jute sacks will be replaced by paper sacks and the jute material will be mixed with paper thread and wood fibres.

Metals:

Copper. Stock on 31.3.1934 104 000 tons, on 31.3.1936 32 700 tons

Average monthly consumption: 1933 18 000 tons  
 1934 before the beginning of rationing 25 000 tons  
 1934 after establishing the supervisory 27 500 tons  
 1936 (1st quarter of the year) 21 300 tons

By an early regulation of consumption and by using substitute materials, such as aluminium and zinc, the domestic demand was reduced, but the savings were used up by army and export (for which substitutes could not be used).

Min. Pres. GIERING: How great is the German output of copper?

Min. Dir. RUELBERG: Production from German ores

Monthly average 1934 2 100 tons 1936 2 200 tons

As the production could not be increased, we changed over from the importation of finished metals to the importation of pre-materials which are more favourable to us with respect to foreign exchange, and

( Page 8 of original )

which we receive from the trade Agreement countries in the form of ores, waste pyrites, etc.

|                             |                          |
|-----------------------------|--------------------------|
| Imports of finished copper: | Blast furnace production |
| January 1935 6 500 tons     | (Refinement)             |
| July 1935 3 000 tons        | 12 700 tons              |
| December 1935 1 900 tons    | 17 000 tons              |
|                             | 18 000 tons              |

Min. Pres. GIERING: How high is the monthly demand this year?

Min. Dir. RUELBERG: At present it amounts to 21 300 tons.

Lead: Stock on 31.3.1934 75 000 tons, on 31.3.1936 24 000 tons

Average monthly consumption: 1934 before the beginning of rationing 13 500 tons  
 1934 after establishing the supervisory offices 17 500 tons  
 1936 (1st quarter of the year) 16 500 tons

Though the domestic consumption was reduced by prohibiting its use, this is offset by an increased consumption due to the needs of the Armed Forces.

Available metal content of the German ores:

1935 4 500 tons, 1936 5 000 tons, 1937 5 800 tons

Zinc: Stock on 31.3.1934 67 500 tons, on 31.3.1936 16 000 tons

Average monthly consumption:

1933 11 000 tons, 1934 15 000 tons, 1936 (1st quarter of the year) 19 000 tons

( Page 9 of original )

Obtainable Metal Content of German Ores:

Monthly average:

1935 9 400 tons

1936 10 700 tons

1937 14 000 tons

Any increase seems hardly possible.

Minister President G. BAING: Asks why an increase is not possible. Says that he has been somewhat differently informed.

Commissioner for  
Economics KETTLER:

With reference to the manganese deposits of the Augusta Victoria mine he thinks it would be possible to increase production to 30,000 tons a year.

Min. Dir. RUPPENHAG:

Tin:

Stock on 31 March 1934 3400 tons

31 March 1936 1400 tons

Average monthly consumption:

1933 1300 tons

1934 before the beginning of economic management 1400 tons

1936 (1st quarter of the year) 1100 tons

The domestic consumption is restricted by regulations of consumption and ban on use, but this is equalized again by Wehrmacht requirements.

Production from German Ores:

1935 and 1936 - insignificant

1937 probably - 34 tons

Nickel:

Stock on 1 April 1934 1700 tons

1 April 1936 1900 tons



TRANSLATION OF DOCUMENT No. NI-5330  
Cont'd

Average monthly requirements:

|                           |          |
|---------------------------|----------|
| 1933                      | 540 tons |
| 1934 before the beginning |          |
| of economical management  | 790 to   |
| 1936                      | 900 to   |

the increase in consumption in spite of the regulation of use is due to technical requirements.

( Page 10 of original )

Production from German ores:

1935 and 1936 - insignifi-  
cent  
1937 probably 65 tons

Aluminium:

|                        |            |
|------------------------|------------|
| Stock on 31 March 1934 | 6 600 tons |
| 31 March 1936          | 9 600 tons |

Average monthly consumption:

|                          |            |
|--------------------------|------------|
| 1933                     | 1 300 tons |
| 1934                     | 4 300 tons |
| 1936 (1st quarter of the | 7 400 tons |
| year)                    |            |

German production (monthly average)

|                          |            |
|--------------------------|------------|
| 1933                     | 1 600 tons |
| 1934                     | 3 100 tons |
| 1935                     | 5 000 tons |
| 1936 (1st quarter of the | 7 350 tons |
| year)                    |            |

A further increase is expected.

Because of the restrictions of use, Aluminium and its alloys are being used to an increasing degree instead of metals which must be used sparingly, in particular, copper, tin, brass.

Importation of Non-Ferrous Metals

1935 in all for 240 million RM, 20 millions monthly. The payments were made as follows:

20% = 4 million RM. through cash in foreign currency and bills of exchange payable against merchandise.  
35% = 7 million RM. with Treasury Trustee credits and open credits urgent credits (Sofortkrediten).  
45% = 9 million RM. in trade agreement transactions with trade agreement countries.

Steel and Iron industry:

Annual production of crude iron and crude steel:

|        | Crude iron:       | Crude steel:      |
|--------|-------------------|-------------------|
| 1932 = | 5,3 million tons  | 7,2 million tons  |
| 1936 = | 14,5 million tons | 18,0 million tons |

Minister SCHLICK:

Crude iron production was tripled and steel production increased two and a half times!

Min. Dir. RUMMERG:

Raw materials for the steel industry:

|  |                       |
|--|-----------------------|
| Stocks (iron girders, ores, waste and dross) on 1 April 1934 | 4,5 million tons iron |
| pure iron ores on 1 April 1936                               | 2,7 million tons iron |

( Page 11 of original )

Without imports this stock is enough for 2,3 months, but since there must be a month's stock available for keeping the smelting plants in operation, the reserve is enough for 1,3 months.

Manganese:

|                       |                  |
|-----------------------|------------------|
| Stock on 1 April 1934 | 1,4 million tons |
| 1 April 1936          | 1,2 million tons |

The slight drop is due to the greatly increased activity in collecting scrap iron and the greatly increased of crude iron for open-Hearth Furnaces.

These stocks will last 1,4 months.

With respect to the alloy ores (Manganese and chrome ores) there are stocks available for 3-4 months. In the case of Molybdenum and Palladium ores for high alloy steel there is less than one month's supply in stock.

Consumption figures per year:

|              | 1932             | 1933         | 1936              |
|--------------|------------------|--------------|-------------------|
| Iron girders | 7,5 million tons |              | 30 million tons   |
| Scrap iron   | 3,0 million tons |              | 10,5 million tons |
| Alloy ores   |                  | 229 000 tons | 535 000 tons      |

Requirements supplied from domestic sources  
(raw materials for steel)

Annually:

Ores:

Scrap:

|                  |                  |                  |
|------------------|------------------|------------------|
| 1932             | 1,3 million tons | 3,2 million tons |
| 1935             |                  | 3,3 million tons |
| 1936 (estimated) | 6,6 million tons |                  |

The high figures for scraps can be explained by the law against exporting scrap, by the growing yield of scrap in our own plants, and by the increased collecting activity in Germany.

Requirements supplied from foreign sources:

|               |      |                   |
|---------------|------|-------------------|
| Crude (waste) | 1932 | 4,1 million tons  |
|               | 1935 | 16,5 million tons |

Import came especially from trade agreement countries,

( Page 12 of original )

such as Sweden and France.

|              |      |                   |      |      |
|--------------|------|-------------------|------|------|
| From Sweden: | 1932 | 1933              | 1934 | 1935 |
|              |      | (in million tons) |      |      |
|              | 1,7  | 2,3               | 4,8  | 5,5  |
| From France: | 1,1  | 1,6               | 2,0  | 6,1  |

A decrease in imports from France has to be expected for 1936 due to the liquidation of the trading agreement; on the other hand an increased demand from Sweden is guaranteed.

Scrap:

Requirements supplied from foreign sources

|                   |                    |                   |
|-------------------|--------------------|-------------------|
| 1932              | 1934               | 1935              |
| 99 000 to a year, | 500 000 to a year, | 276 000 to a year |

The decline in scrap imports is explained by the strict execution of the laws against export in the trading agreement countries, such as France and Belgium.

Summing up, the following amount of foreign currency in cash is needed each month:

|          |                 |
|----------|-----------------|
| For ores | 1 million RM.   |
| " scrap  | 1,4 million RM. |

|                    |                 |
|--------------------|-----------------|
| For manganese ores | 0,24 million RM |
| " alloy ores       | 1,0 million RM  |
|                    | 3,64 million RM |

Min. Pres. GIERING: asks if something can be said about the increase of iron production from domestic ores.

Min. Dir. RUEHLING: We have smelted the following domestic ores:

|      |                         |
|------|-------------------------|
| 1932 | 1,3 million tons a year |
| 1936 | 6,6 million tons a year |

Minister SCHLÖT: Emphasizes that one particularly important question is whether we undertake primarily to smelt the ores, for example, of the Ilsemer-Hütte, or whether less good ores, such as the Salzgitter or Bagger ores.

Min. Dir. RUEHLING: Compares the import of ores from abroad and the use of domestic ores:

( Page 13 of original )

|      |                      |                     |
|------|----------------------|---------------------|
|      | <u>Domestic ores</u> | <u>Foreign ores</u> |
| 1932 | 1,3 million          | 4,1 million         |
| 1936 | 6,6 million          | 16,5 million        |

Minister SCHACHT: The ratio has improved from 4:1 to 3:1.

Min. Dir. RUELEWEG: Stocks on hand of skins and hides.

1934 for 5 months  
1936 for 2,7 months.

The quantitative assignment today has been to 80%; we intend to reduce it to 60% in order to have a sufficient amount of stock for 3,5 months.

Restriction to 60% on 1 April of this year has been ordered; the domestic production covers 50% of our requirements, but not for all varieties, especially not for all the varieties of fine leather which are important for export. Perceptible stagnation of calf-leather imports due to the decline in calf-leather imports from France during the liquidation period. Likewise, difficulties due to the congestion of trade agreements accounts with South American firms in deliveries of wild animal skins 95% of hides and skins are imported from trade agreement countries. Schacht requirements are assured, likewise with regard to tanning agents.

Cellulose:

|                       |                        |
|-----------------------|------------------------|
| Stock on 1 April 1934 | 37,000 tons            |
| 1 March 1936          | 78,000 tons            |
| Monthly consumption   |                        |
| 1934                  | 72,000 tons (average)  |
| 1936                  | 87,000 tons (February) |
| Total imports         |                        |
| 1934                  | 144,000 tons           |
| 1936 (estimated)      | 150,000 tons           |

Only bleached cellulose can be used in the fiber materials industry. Greatly increased demand because of the increased production of artificial fibres. Requirements for 1936 estimated at 105,000 tons, of which 95,000 tons come from German production, 10,000 tons from imports.

( Page 14 of original )

|  |           |
|--|-----------|
| Requirements for 1937 are estimated at 150,000 tons from which domestic production |           |
| there would be   | 135,000 t |
| Imports about  | 10,000 t  |

The German capacity in 1936 was substantially increased by the establishment of new cellulose plants, special mention might be made of the plant in Wolfen with an annual production of 30 000 tons, which was started in the middle of 1937.

The quality of bleached cellulose produced is



being increased by the establishment of new bleaching plants. It is hoped that it will be possible to make the same amount available for export in 1937. The exportation of cellulose was endangered by the greatly increasing production of artificial fibres.

Petroleum (stocks)

|  | 31 Dec.34 | 31 Dec.35 | 30 April 36 | 1937<br>(estimate) |
|--|-----------|-----------|-------------|--------------------|
|--|-----------|-----------|-------------|--------------------|

light motor fuel,  
including filling  
station stocks

|              |              |                         |  |
|--------------|--------------|-------------------------|--|
| 495,000 tons | 447,000 tons | 495,000 tons            |  |
|              |              | + 113,000 tons          |  |
|              |              | (for military purposes) |  |

Diesel-Oil:

|              |                               |              |  |
|--------------|-------------------------------|--------------|--|
| 129,000 tons | 176,000 tons                  | 141,000 tons |  |
|              | (without filling<br>stations) |              |  |

Fuel oil:

|             |             |             |  |
|-------------|-------------|-------------|--|
| 74,000 tons | 46,000 tons | 60,000 tons |  |
|-------------|-------------|-------------|--|

Lubricating oil:

|              |              |                         |  |
|--------------|--------------|-------------------------|--|
| 301,000 tons | 302,000 tons | 310,000 tons            |  |
|              |              | + 36,000 tons           |  |
|              |              | (for military purposes) |  |

Average monthly consumption:

|                  |              |              |              |              |
|------------------|--------------|--------------|--------------|--------------|
| light motor fuel | 145,000 tons | 167,000 tons | 200,000 tons | 216,000 tons |
| Diesel oil       | 57,000 tons  | 79,000 tons  | 95,000 tons  |              |
| Fuel oil         | 44,000 tons  | 48,000 tons  | 50,000 tons  |              |
| Lubricating oil  | 29,000 tons  | 34,000 tons  | 36,000 tons  |              |

Imports:

( Page 15 of original )

Distribution of imports from different countries

|                         | 1934   | 1935                             |
|-------------------------|--------|----------------------------------|
| USA                     | 5;6 %  | 3;4 %                            |
| Rumania                 | 16;1 % | 36;8 %                           |
| Russia                  | 14,3 % | 12,3 %                           |
| Elsewhere in<br>America | 30;4 % | 15;6 %                           |
| Iran                    | 11,7 % | 11,4 %                           |
|                         |        | (together with Great<br>Britain) |
| Great Britain           | 2;6 %  |                                  |
| Peru                    | 10,0 % | 3,0 %                            |

90 % of the payments in 1935 were made by the trade agreement or compensation system 10 % by foreign currency in cash.

Domestic Production per Month

|   | 1934                | 1935                | 1936                 | 1937<br>(approx.) |
|---|---------------------|---------------------|----------------------|-------------------|
| light motor fuel<br>in % of total<br>production | 59,000 tons<br>40 % | 75,000 tons<br>45 % | 100,000 tons<br>50 % | 133,000 t<br>62 % |

The great increase in the domestic part was achieved in spite of a considerable rise in consumption due to motorization and air travel. It should be emphasized that the domestic production of high grade gasoline and heavy gasoline after January 1937 will presumably meet all domestic requirements.

|  | 1934                | 1935              | 1936                | 1937 |
|--|---------------------|-------------------|---------------------|------|
| Diesel oil<br>in % of total<br>consumption | 5 400 tons<br>9,5 % | 6 300 tons<br>8 % | 9 100 tons<br>9,5 % |      |

Min. Pres. GOERING: How are the figures for 1937 ?

Min. Dir. RUELBURG: The figures are not yet available; but there is little prospect of increasing production. The completion of the refineries is proceeding slowly and with delays, since everything is still in a state of flux.

Min. Pres. GOERING: But surely the present system could be expanded

( Page 16 of original )

so as to increase production. Is a substantial increase considered generally possible?

Min. Dir. RUELBURG: Denies this and points to the efforts of the Diesel oil office.

Min. Pres. GOERING: Finds 9,5% much too little and considers an increase absolutely necessary.

Min. Dir. RUELBURG: Believes that an increase can be chiefly obtained by converting to the FISCHER-TROPSCH process. This process normally yields a certain amount of gas oil, most of which has been converted into gasoline by cracking, because this is financially more profitable. The process can be so arranged as to yield considerably larger quantities of gas oil. A greater amount of gas oil would be produced by building such installations and re-

converting present ones. But this is far from being enough. Things would be made substantially easier if-- as already mentioned -- the UHDE and POTT process were more extensively set up. Installations with an annual capacity of 30,000 tons are to be built for both processes. There is a possibility, which experiments have confirmed, that a Diesel oil suitable for use could be produced by mixing the FISCHER-TROPSCH and UHDE-POTT products.

Min. Pres. GOERING: Finds, that Ministerial Director RUEBERG also considers it possible to increase domestic Diesel oil production. Now he draws attention to the fact that in time there will be a steadily increasing conversion in aviation, too, from light gasoline to Diesel oil. Importance must be attached to the greater increase of domestic Diesel oil production. When the process has been made clear, it will only be a question of constructing the necessary installations.

( Page 17 of original )

Inspector General

of Mines SCHLATER: So far Brown Coal-Heavy-oil has been used to a considerable extent for hydration. Heavy-oil production was increased this year to 6000 metric tons. This heavy-oil has to a certain extent so far been cracked for Diesel-oil and Gasoline production. Tests have shown, that Brown Coal-Heavy-oils, slightly refined, may be used in Diesel motors, to a great extent. It must be pointed out, that the present Hydration-plants constructed for processing tar, will have to be converted to Brown Coal. Procedure in this respect, has now been concluded by I.G. Farben.

Min. Pres. GOERING: Complete cessation of oil imports is to be reckoned with, therefore home-production must be prepared for this eventuality.

Min. Dir. RUEBERG: Home-production in fuel-oils:

|   | <u>1934</u> | <u>1935</u> | <u>1936</u> |
|---|-------------|-------------|-------------|
|   | 16 700 t    | 20 000 t    | 21 000 t    |
| as a<br>percentage of<br>total<br>consumption | 38%         | 42,3%       | 42%         |

Min. Pres. GOERING: Enquires about production for 1937.

Min. Dir. RUEBERG: States, that no estimate is yet available.

Min. Pres. GOERING: Enquires whether an increase in home-production is possible.

Min. Dir. RUEBBERG: States, that no increase worth mentioning can be counted on.

Economic Plenipotentiary

KEPPLER: The increase in fuel-oils will be extraordinarily large next year. The Navy is the main consumer. Next year the increase will be many times greater than present consumption.

Inspector General of Mines

SCHLATTMANN: Points out, that an increase depends on carbonisation and other procedures. He, like Economic Plenipotentiary KEPPLER, counts on a fairly large increase; he believes that Germany will be able to cover its fuel-oil demands to a great extent.

( Page 16 of original )

Min. Pres. GOERING: Called attention to the fact, that this question is especially important to the Navy and that he had discussed it with the Fuehrer and Reich-Chancellor.

Generaloutnant

KEITEL: Points out, that the oil was of special interest to tankers which we are, at present, operating with foreign fuel-oils.

Min. Pres. GOERING: Mentions, that in the Navy, there is very little confidence in German fuel-oil. Requests report on lubricating-oil.

Min. Dir. RUEBBERG: Home-production of lubricating-oils:

|   | <u>1934</u> | <u>1935</u> | <u>1936</u> |
|---|-------------|-------------|-------------|
|   | 5 400 t     | 5 800 t     | 6 300 t     |
| as a<br>percentage of<br>total<br>consumption 13,6% |             | 17,1%       | 17,5%       |

Min. Pres. GOERING: With lubricating-oils the regeneration of used-oils plays a part. To what extent is it utilized?

Inspector General of Mines

SCHLATTMANN: Reports this amount as small. The figures mentioned are low because we have produced small quantities of lubricating-oil from our crude-oil. This is partly due to mismanagement in production partly to the fact that our crude-oil is unsuitable for good lubricating-oil.

Min. Pres. GOERING: Has used this oil himself. The regenerated used-oil has proved itself exceptionally well. But it has proved that speculation immediately raised prices for used-oils considerably and that was



manufacturing plants, which could have used other oils, had obtained this oil. It must be ensured, that used-oils remain available for regeneration and that prices remain stable. For used-oils quite remarkable figures have been computed which might possibly be attained by suitable propaganda.

( Page 19 of original )

Inspector General of Mines

SCHLATTMANN: States, that 5% has been mentioned to him, which would be quite a lot in relation to our consumption, or rather to our shortage. Intends to follow this matter up.

Min.Pres.GERING: mentions that he secretly transferred money to a firm for the Refining of used-oils 3 years ago, and that the quality attained was very good.

Inspector General of Mines

SCHLATTMANN: Stresses, that today very much oil is still being thrown away. He raises the point, that the quality of the lubricating-oil production can be improved considerably by recently acquired knowledge of American processes for refining oils. The Leuna-production has been concentrated more on German oils. Similarly, the Hamburg-Firms have been induced to use German-oils in order to have suitable machinery for German oil on hand in the A-case (A-Fall). Meanwhile the main-supply must be provided by synthetic production. Synthetic-oils have proved themselves to be of equally good quality as foreign oils.

Min.Pres.GERING: emphasizes that in the A-case (A-Fall) we would not, under certain circumstances, get a drop of oil from abroad. With the thorough motorisation of army and Navy the whole problem of conducting a war depends on this. All preparations must be made for the A-case so that the supply of the wartime-army is safeguarded.

Min.Fin.RUEHRIG: Total imports for 1936 (estimated)

155 Million RM

Light-fuel-oils 1,1 Million metric tons -

60 Million RM

For the year 1937 still higher demands are to be reckoned with, so that at least the same amount of imports must be expected, whereby the quota of foreign cash currency will be raised.

( Page 20 of original )

RUEHRIG:

Stack

1932

1933

Consumption  
(monthly average )  
3 800 metr.tons  
4 700 metr.tons

| <u>RUBBER</u>           |  | <u>Consumption</u> |
|-------------------------|--|--------------------|
| <u>Stock</u>            |  | (monthly average)  |
| 1934 April 17 000 metr. |  |                    |
| tons                    |  | 5 700 metr. tons   |
| 1935 " 6 300 metr.      |  |                    |
| tons                    |  | 5 500 metr. tons   |
| 1936 " 4 000 metr.      |  |                    |
| tons                    |  | 5 600 metr. tons   |

In Giant-Tire production restrictions were necessary as the foreign Raw-Rubber material content was particularly high.

|             | <u>1935</u>     | <u>Janv.-March 1936</u> |
|-------------|-----------------|-------------------------|
| Payment for |                 |                         |
| Rubber      | 45,7 Million RM | 12,4 Million RM         |
| of this in  |                 |                         |
| foreign     |                 |                         |
| currency    | 26,5 " "        | 8,1 " "                 |
| as a        |                 |                         |
| percentage  | 56%             | 65%                     |

For tires a restriction to 90% of the comparable period from July 1st 1933 to June 30th 1934 was imposed, this corresponds to 2800 metric tons for tires.

To cover the requirements for motorization under present development conditions, we really need 120% of the comparable period 1933/34, that is 3 600 metric tons. If one adds the requirements of the remaining Rubber production with 2 600 metric tons, we ought to import 6 600 metric tons per month compared to an actual monthly average of 5 600 metric tons. This would correspond to an additional expenditure of 1 000 metric tons or 900 000 - 1 000 000 RM which would have to be raised at the present rate of foreign-exchange.

The use of regenerated materials amounts at present

( Page 21 of original )

to 1 000 metric tons per month and is to be increased during the course of the coming year to 2 500 metric tons. For this purpose a number of regeneration plants are to be erected. Our own synthetic rubber fabrication and present production capacity amounts to 55 metric tons per month and will, from September, amount to 120 metric tons, and will be increased from February 1937 to 250 metric tons.

Synthetic-rubber (Buna), can be added to all products but involves a considerable increase in price, therefore Synthetic-rubber (Buna) can hardly be added to export products. (Price ratio of 1 : 5 for soft and hard-rubber products)

Min. Pres. GÖRNING: Enquires, what kind of programme for Synthetic-rubber production is planned at home for the coming years, whether a sharp rise in production will come about if this has been refrained from on account of the price.

Economy Ministry

KEPPLER: Factories are under construction, technical improvements are expected, it is to be hoped, that the work in progress will bring about changes which will cheapen production. Special hope for certain American processes.

Gen. Dir. Dr. SCHWITZ: agrees to this, method adopted after thorough discussion in order to utilize experience in enlarging factories.

Min. Pres. GÖRNING: indicates serious import reductions in the A-case (A-Fall) through which price probably unimportant. Rubber is our weakest point.

( Page 22 of original )

Minister SCHACHT: Not with regard to the amount of foreign-currency necessary. Also with oil, home production develops rapidly. The non-precious metals and ores play a more important part in relation to foreign-currency.

Min. Dir. RUMBERG: The industrial fat supply is closely linked to food-economy. Raw-materials for both are uniformly supplied by the Reich Grain-Board and the Reich Food-Ministry. The import of oil, oilseed and blubber is in question. For 1936 the industrial fat-supply needs oil and fat to the amount of 143 Mill. RM. This includes a home-production of 19 Million RM. The raw-materials to be imported, demand an approximate expenditure of 72 Million RM cash in foreign currency and 52 Million RM from countries with which we have a clearing-account. There is a pronounced shortage of linseed-oil because the procurement of linseed from Argentina was considerably hampered by clearing-exchange difficulties. This year 100 000 metric tons less of linseed-oil have been imported from the Argentine than last year.

Minister SCHACHT: Here imports depend on what Argentina can take from us, whether it is in a position to take the counter-value in industrial-goods.

Min. Pres. GÖRNING: It has been stated that we were forced to take goods principally from countries which are our

main clients. If the frozen-meat contingent is raised are we prepared and in a position to do so?

Minister SCHACHT: In this question England plays a very large part, as she is a main-creditor of the Argentine and has a special-contract with Argentina. The Argentine is not free to make decisions. At present the position is thus we have very large debts to the Argentine on our clearing-account and the Argentine (that is, the Government and not the businessmen) have asked us, not to draw so much raw-material from the Argentine before more goods are taken from Germany and the Clearing-account has been somewhat decreased.

( Page 23 of original )

There is at present a very large demand for feeding grains by the Reich Food Ministry which imposes an extraordinary burden upon us. We have a number of barter-transactions with the Argentine, in preparation. The obligations of the Rockett-claims are a constant hindrance to us.

Min. Pres. GOERING: Enquires, whether in spite of this we could not plant linseed in Germany also; he states that he is convinced, that it could be cultivated in quite different quantities if our farmers and agriculture be more versatile.

Min. Dir. RUEHLBERG: The Reich Grain-Board will acquire 16 000 metric tons of linseed with 5 Million Mark of Foreign-currency. Far-reaching economy will be effected through the Control-Agencies with soap, lacquers and paints of the Chemico-Technical-Industry. Soap has been eked out by the addition of home-produced fillers, introduction of synthetic materials etc. with only a 32% oil-content.

| Stock on hand:                        | 1934          | 1935          | 1936           |
|---------------------------------------|---------------|---------------|----------------|
| Soap:                                 | for 4 months, | for 3 months, | for 2,2 months |
| Lacquers, Paints and Linoleum for 6 " | "             | " 1,6 "       | for 1,3 months |
| Chemico-Techn. Industry               | for 12 "      | " 12 "        | for 2,7 months |

The materials required by the Chemico-Technical Industry are supplied principally to the war-industry. In comparison to the demand of other industries they are, in quantity, so small, that they can be covered.



Min. Pres. GOERING: Enquires, whether, in the case of soap, its production from coal had been considered.

The coal-soap, tested by him, had been very good.

Economic-Plenipotentiary  
of the Fuhrer

KEPPLER:

Ruhr-Chemie in conjunction with HENKEL of Dusseldorf, has built experimental-plants, which were now to be put into operation. Capacity 15 000 metric tons per year. The process seems to be promising. Soap is produced as a by-product of the FISCHER-TROPSCH Gasoline synthesis. HENKEL intends to produce up to 50 000 metr. tons. The same basic items are needed as in the process for the production of lubricants and gas-oils.

( Page 24 of original )

Attention is called to the quality of the oil from the Ruhr-Chemie for HENKEL-Aeroplane plants. The oil is not more expensive than gas-oil. This process is said to be economically feasible.

Minister SCHACHT: With these new processes, questions as to taxation-relief and subsidies always arise. With HENKEL and HENKEL it is possible that this would not take place.

Min. Dir. RUHLBERG: Home-supply of Glycerin covers demand, export requires authorization.

Summary: All raw-material stocks have been depleted considerably. The present level should not be lowered. The scarcity of raw-materials, quantities and sortings, is, even now, making export-business, and similarly the satisfaction of the Fuhrmacht demands, difficult. Stock-depletion 1935 at least 400 Million Mark after a large drop had already taken place in 1934. In order to maintain the exports and armament-activity at the level of 1935, raw-material to the amount of at least 400 Million RM more than in 1935 will have to be imported.

Min. Pres. GOERING: Enquires, whether with a large demand and high rate of employment a scarcity in stock did not always result, whether an increased demand did not prevent the accumulation of larger stocks. FOM proves this by figures.

General Director  
BLICK:

Considers this opinion generally as correct. Even without Foreign-exchange and raw-material difficulties the plants would have had smaller stocks on hand than in 1932, for at that time stocks were built up in the first place before the decision to discharge was made.

( Page 25 of original )

Min. Pres. GOERING: Raises the question as to what extent rationed raw materials have been worked up into ready-made articles which are used in Germany. Says that frequently material is used for goods, which could be made of other material just as well. In this way a certain stock of rationed raw materials will be created.

Minister SCHACHT: Points out that there are no reserves available of the kind we had in 1914 because production has been restricted for a long time and for 2 years have been using substitute materials in many cases. Stock maintenance must be considered from the point of view of the entire national economy. Ford's view is right if one is able to fall back on one's suppliers at any time. In the event of an increase turnover in his automobile business Ford needs a larger stock, but just like the big warehouses he can supplement his stock at any time because he can ask his suppliers to keep an adequate stock. In general, the total volume of supplies in stock increases with the size of the demand.

Min. Pres. GOERING: Agrees with the statement about substitutes and would like to know if the import of raw material has declined.

Minister SCHACHT: The latter has increased enormously.

Min. Pres. GOERING: Even if substitutes were used, nevertheless substantially more raw materials have been imported and processed in the last few years than formerly. These must still be available in some form or other.

Staatsrat THYSEN: The depression years ought not be used as a comparison. In recent years we had imports amounting to RM 12 milliards, which now have sunk to RM 4 milliards.

Minister SCHACHT: In comparison with 1920 the importation of raw materials has declined enormously, in comparison with 1932 it has increased.

( Page 26 of original )

Min. Pres. GOERING: They cannot be compared with each other.

Director LANGE: Because of our distressed condition the stocks of the retail and wholesale dealers are smaller than formerly. Against this it must be considered, that everyone was making an effort to lay up as large a stock as possible for himself because he was afraid he would not be able to make deliveries later on. It is hard to draw a balance between these things.

Staatsrat THYSSEN: Certainly, in 1934, every leader was trying to acquire private reserves. At that time they certainly were larger than they are today. Substantial stocks of raw materials are certainly not available any more and stocks cannot be replenished any more either. Of course there are war reserves in both gold and metal.

Minister SCHACHT: Total German imports of raw materials amounted to  
7.2 milliards in 1929  
2.5 milliards in 1935

Min. Pres. G. FRING: Can it be shown statistically to what extent stocks are still available in Germany?

Prof. WAGENMAN: Declares, that he does not have access to these figures, but believes they may be procured from the supervisory offices and from the Reich Bureau of Statistics (Statistisches Reichsamt). He adds that a boom is characterized by particularly large stocks, that stagnation sets in, and the depression then breaks out because of too large stocks.

Min. Pres. G. FRING: This is just the contrary of what has been said up to now.

Minister SCHACHT: Points out that given an unrestricted market and unrestricted payments we would have an immense stock of raw material because of the boom. What Professor WAGENMAN says holds absolutely true for normal conditions.

( Page 27 of original )

It is now impossible to satisfy our demand for raw materials and this results in a lasting state of deficiency.

Director General  
Dr. S. LANGER:

Heavy industry had larger stocks in 1932 than in 1936. In 1936 stocks would be smaller than in 1932 in the event of complete freedom of foreign exchange, because for sales reasons stocks are a drag on the market during a business slump. Theoretically it is true that in times of good business there ought to be larger stocks available.

Minister PETTE: Agrees with this. Both questions are meaningless for the moment because it is not possible to buy enough.

Min. Dir. RUEHLBERG: Reports that RM. 400 millions more worth of raw materials would have to be imported in 1936 than in 1935, presupposing an equal demand prices of raw materials have risen in the world market. The are still rising. With an average increase of

import prices by 10% and total imports amounting to 4 milliards there results a further increase in imports of 400 millions, so that altogether RM 900 millions more than 1935 would be necessary in order to be provided for, assuming a demand equal to that of 1935. Increased import prices are not counter-balanced by increased export prices. Export prices have fallen. Moreover the Minister for Food is asking an additional 160 million mark especially for the supply of fat

Complete survey:

|  |                          |
|--|--------------------------|
| a) additional imports for consumed stocks  | RM 400 millions          |
| b) additional demand because of price rise | RM 400 millions          |
| c) additional demand for food              | RM 160 millions          |
| Total additional extra demand              | RM 960 millions<br>===== |

( Page 23 of original )

Minister SCHACHT: States that exports ought to be 25% higher, but will not rise more than 10%.

Min. Dir. RUELBURG: Explains that in the event of a 10% rise in imports (about 400 millions) we will have a reduced revenue in foreign exchange of about 170 millions to dispose of, because the Russians had to repay 220 millions in 1935 and only 50 millions in 1936. Thus, compared with an additional demand of 960 millions for imports, there are at best 220 millions additional receipts for export, so that an additional demand for 700 million mark remains for 1936.

Min. Pres. GIERING: Mentions that the desire for general information about the raw material situation has been satisfied by this. He emphasizes their importance for questions of increased export and the supply of substitutes for raw material. The lack of 700 millions is a heavy burden. Relief is to be sought primarily by increasing exports, then by increasing the production of raw material, increased use of substitutes, reorganisation in the use of materials and salvaging old material, moreover the appraisal of manufactured goods as reserves for raw material, increase of agricultural production in the most critical direction and the coordination of divergent efforts. The question of motor fuel appears very unfavourable from the point of view of foreign exchange, but offers many possibilities for improvement as an immediate



measure. In agriculture the harvest yield is a great factor of uncertainty. This year however there is reason to hope for relief through a good harvest. It is also worthwhile at first to carry out improvements which are not very noticeable and to examine the present organization for mistakes.

After everybody has been given this survey the gentlemen are asked to cooperate in the work of mastering the situation.

( Page 29 of original )

The situation is not to be regarded as something fixed and unchangeable, but as a starting point for new measures to be taken, at the head of which is export. Proposals in all branches are directed from these present. Questions concerning domestic raw materials and substitute materials are emphasized again. It is emphasized that at any moment we might be confronted with a situation of unparalleled seriousness, which we must be in position to deal with.

Everything has to be regarded from these points of view. The speed of armament must under no circumstances be impaired, on the contrary, even the interests of the factories themselves should be relegated to the background. An appeal is made to the idealism of industry. If perhaps great risks have to be taken now, nevertheless there is reason to expect that they will also someday have correspondingly great results. The establishment of Germany's liberty to rearm comes before all else. The fate of the individual plant is immaterial just now. After overcoming the present difficulties, ways and means will also be found to save the individual plants from collapse. In conclusion, those present are asked if anybody still wishes to make a statement.

Prof. W. GEMANN:

Proposes to distinguish between an immediate program and a program lasting several years. The increase of export seems to him to be a long-term program.

Min. Pres. GEBRING:

That is right. But export is precisely one of the things he wants included in the program of immediate importance. Substitutes and the reorganization of agricultural production are a long-term program. Fluctuation of prices, stagnation of sales and

( Page 30 of original )

changes in currency may alter the situation very quickly. He knows that many complaints are being

voiced by French and Czech representatives (Skoda) about the German competition which is making itself felt everywhere. The case of the de luxe train of the Shah of Persia is mentioned as an example of how one ought not to adopt a passive attitude in export matters. In this case the initiative was taken by the domestic architect while the car firm was still hesitating. Such lassitude in exporting should be opposed. It is urgently necessary to include the increase of exports in the program scheduled for immediate execution.

Reg. Bürgermeister

KROCKMANN: Premises an immediate proposal for the export program in a short time. The possibilities for an increase in exports through successes in 1934/36 are at present not regarded as unfavourable.

Min. Pres. GOERING: Points out once more that the reason for this discussion was the desire to make the different gentlemen more familiar with the problems so that they can occupy themselves with them and look for ways to cope with the situation.

Staatsrat THYSEN: Reports that in the eighties of the last century the Queen of England summoned a special commission to study the difficult economic situation. The report was sent to him from America. He recommends the preparation of a similar report on the German situation.

Min. Pres. GOERING: Proposes that another meeting should be held for asking counter-questions and in conclusion expects proposals from the gentlemen present which he then intends to submit to a special commission for further consideration. This commission should have access to the statistical offices.

( Page 31 of original )

Its task should be not only to report on the situation but also to develop proposals as to how we can recover from the present situation.

Min. Pres. GOERING: Asks Provincial President KUCH if he wants to say anything more about the export question.

Provincial President

KUCH: Replies, that he is not prepared to do this.

Minister SCHLACHT: Wants Herr KETTLER to say some more about zinc.

Economic Commissioner

KETTLER: is more optimistic about the zinc question than Ministerial Director RUELLING.

Chief Mining Superintendent

SCHLATTMANN:

explains, that 14,000 tons could be counted in 1936, supposing it technically possible to extract the metals to the highest degree of efficiency. With the exception of lead and zinc at Augusto Victoria there are no substantial deposits of lead, zinc and copper known which have not been exploited. Difficulties exist at Augusto Victoria, the elimination of which being provided for. The openings have not been carried very far, but perhaps it might be possible to produce 10 tons of ore per day for the next 5 years. But hardly more than that. It might be possible to practise roasting methods in some places, as has already been done for a long time in Upper Silesia. The Wara deposits are to be developed with the support of the Minister of Finance to an annual production of 40,000 tons of zinc and 20,000 tons of lead. The first 10,000 tons will be ready in October of this year at the latest. In the Rhineland and Westphalia the development in general is completed. According to our estimates our needs are thereby approximately guaranteed with the exception of the quantities for contracting foundries (Lohnhuette). In case of war a higher production may be enforced, of course.

( Page 32 of original )

A systematic increase would involve considerable technical requirements, which it is estimated would take 1½ to 2 years to carry out and which would endanger our metal reserves. As in the case of petroleum, it is necessary to save everything for a crisis by preparing the necessary capacity of production.

Min. Pres. GOERING: Strongly advocates saving everything for the crisis (Ernstfall) but adequate preparations for exploitation must be made.

Chief Mining Superintendent

SCHLATTMANN:

Preparations for the crisis were already made year ago.

Min. Pres. GOERING: refers to our own extraction from German ores, Copper and Salzgitter ores. He says what really matters is not what may be profitable and convenient but what will alleviate our situation as regards foreign exchange. He asks that it be made clear as to what extent these ores can be utilized.

Chief Mining Superintendent

SCHLATTMANN:

States that this question is cleared up. The essential thing is to dress the ores in such a way that they can be smelted. This point is



debatable. The silicic acid content is causing difficulties. It is calculated that the pig-iron would cost from 20 to 24 mark more per ton, but that must be overlooked in case of emergency. All measures must be prepared in such a way that we relieve our foreign exchange situation and are prepared in the event of war.

General Director  
FLICK:

Agrees with this, but points out that the problem is primarily a question of costs. The whole subject is not a short-term program. A perceptible relief cannot be expected for about 1 1/2 to 2 years.

( Page 33 of original )

Dr. SPRINGER:

Adds that it is not only a technical-economic question, but that we are obtaining national reserves with these ores, as for instance the manganese deposits in Siegerland. They should only be worked insofar as is absolutely necessary.

Min. Pres. GOERING:

Agrees with this. The important thing is to make it possible to convert to domestic production and smelting in the event of "Case A" (Fall-A).

Economic Commissioner  
KEITLER:

Shares Chief Mining Superintendent SCHLATTMANN's opinion that we can make ourselves self-sufficient in zinc. He refers to the fact that the Salzgitter and Bitter ores constitute a reserve of 3 millions tons.

Min. Pres. GOERING:

A program lasting several years is of no use for the case "A". The fall in the currency of our ore suppliers has made the prices about 30% cheaper as against peace. What is necessary in connection with our ores is not to confine ourselves to small experiments but to pass over to large-scale operations, otherwise we will not have any production reserves in the event of "Case A" (A-FALL).

He agrees with Dr. SPRINGER that the Salzgitter and Bitter ores should be worked first of all, while saving the manganese deposits.

Min. Pres. GOERING:

Closes the meeting and thanks the gentlemen for their participation.

CERTIFICATE OF TRANSLATION

I, John ROBINSON, AGC X-046350, hereby certify that I am thoroughly conversant with the English and German languages; and that the above is a true and correct translation of Document No. NI-5380.

15 April 1947

JOHN ROBINSON,  
AGC X-046350.



Case 6  
after Doc. NI-357  
Proc. Bk. 26 - 8

TRANSLATION OF DOCUMENT No. NI-5380  
OFFICE OF CHIEF OF COUNSEL  
FOR WAR CRIMES

ERRATA SHEET

Page 5 of translation (page 6 of original) of Document No. NI-5380 should read:

Domestic production

1934 Straw-flax 27 000 t - 5 400 t long fibre and tow  
1936 " " 200 000 t - 40 000 t " " " "

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Page 13 of translation (page 15 of original) of Document No. NI-5380 should read:

Domestic Production per Month

|                   | <u>1934</u> | <u>1935</u> | <u>1936</u> | <u>1937</u><br>(approx.) |
|-------------------|-------------|-------------|-------------|--------------------------|
| light motor fuel: | 59 000 t    | 75 000 t    | 100 000 t   | 133 000 t                |
| in % of total     |             |             |             |                          |
| consumption       | 40%         | 45%         | 50%         | 62%                      |

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Page 14 of translation (page 17 of original) of Document NO. NI-5380  
2nd paragraph of translation last sentence was omitted and should read:

The basic material is available in unlimited quantities.

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Errata sheet prepared by:

JOHN J. BOLL  
U.S. Civilian  
AGO No. A-444412

- END -

141

(page 1 of original)

Financing of the armament

The following explanations take as their promise the fact, that the execution of the armament program is by its speed and extent the mission of German policy, that everything else therefore must be subordinated to this purpose, unless the neglect of other questions would endanger the main goal. Even after 16 March 1935, the difficulty continues to exist, that one cannot attempt the influencing of the German people by propaganda for support of the armament, without endangering internationally our position. The financing of the armament program, already almost impossible, is being made especially difficult by that.

Further, another prerequisite must be presented. The printing press can only be used for the financing of armament to the extent which the maintenance of money value allows. Each inflation increases the prices of foreign raw materials, and increases the prices within the country; thus it is a snake, which bites its tail. The fact that our armament had to be camouflaged completely until 16 March 1935, and for the biggest part even afterwards, has led to that, that the printing press has already been made use of at the start of the armament program; whereas it would have been natural to put it at the final point of the financing. Of the 3775 millions in the portfolio of the Reichsbank plus 866 millions set aside in bills of exchange - total of 4641 millions, the bills of exchange to finance armament represent 2374 millions (status of 30 April 1935). The Reichsbank has invested most of the German mark sums, available to its administration and belonging to foreigners, in armament bills of exchange. Thus our armament has partly financed with the property of our political opponents. Also used for the financing of the armament program were the 500 millions RM, which came together through the Reich loan placed at the savings banks in Jan 1935. In the regular budget the following amounts were provided for the armed forces: fiscal year 1933/34 RM 750 millions, fiscal year 1934/35 RM 1100 millions, fiscal year 1935/36 RM 2500 millions.

The sum of the deficits of the budgets increased since 1928, according to the estimate 1935/36, up to 5 to 6 billions RM. At present this total deficit is already being financed by shortterm credits from the money market. Thus it already burdens in this amount the possibilities of use of the public market for armament. The Reich Minister of Finance is justified in saying in his budget explanations: "Since an annual deficit..... is an impossibility permanently, since one cannot count with certainty on an increased tax income, covering the deficit and other previous debts; since on the other hand only a balanced budget offers a secure basis for our great future task in the armament policy, fundamentally and consciously a budget policy must be followed, which will solve the problem of financing of armament by organic and planned decrease of other expenses, not only from the point of view of income, but also of expenses, that means saving."

(page 1 of original, cont'd.)

How urgent this demand is can further be construed from the fact that an unending number of tasks were attacked and are in the process of execution by state and party, all of which cannot be covered by the budget but by subscriptions and credits, which must be raised besides the regular taxes by business. This simultaneous existence of various budgets, which however all serve a more or less public purpose, present the greatest obstacle to the gaining of a clear picture of the financing possibilities of armament. A whole series of ministries and numerous agencies of the party have their own budget in addition to their share of the Reich budget, and thus accordingly income and expense possibilities, which, although they are based on the financial sovereignty of the state, are not subordinated to the control of the Minister of Finance and thus also not to the control of the cabinet, exactly

(page 2 of original )

as in the field of politics, the too far reaching delegation of legislative authority to individuals in Germany has led to the condition of many states within the state, thus the condition of parallelism and divergence (Nebeneinander and Gegeneinander) of numerous state and party agencies has absolutely a disastrous effect on the financing possibility of armament. If in this field, no concentration and no unified control is introduced finally, one must fear the worst for the solution of the almost impossible task of financing of armament.

Thus the following tasks result:

- 1) A commissioner must at first determine all sources and incomes, which are derived from Reich, State and Party funds, as well as from profits of public or party enterprises.
- 2) Then, a commission, appointed by the FUHRER must investigate how these funds were used up to now, and how much can be taken from these funds in the future from their present purpose, and made available to the financing of armament.
- 3) The same commission has to examine the assets of all public and official party organizations, how the assets have been invested, and to what extent these assets can be utilized for the financing of armament.
- 4) The Reichministry of Finance is to be commissioned to investigate the possibilities of an increased tax income by the introduction of new taxes or the increase of existing tax rates.

The financing of armament previously by the Reich Bank was a necessity under the existing political conditions, and the political success has proved the correctness of this action. However now, other methods of financing of armament must be attempted under all conditions. With that, all not absolutely necessary expenses in other fields must be refrained from, and the entire, actually small, financial power of Germany must be concentrated on this one goal, the financing of armament. Whether the financial problem will succeed with this method of approach, is as yet doubtful, but without such concentration it will fail with certainty.



(page 3 of original.)

Memorandum

9.III.1936

on the supply situation in the field of fuels and its effect on the Wehrmacht.

The simultaneous throttling and blocking of foreign sources of liquid fuel has caused an increasingly critical situation of supply of the German market since the beginning of the year 1936.

This situation calls for a description of the serious effects on the preparedness for action of the Wehrmacht and of the extraordinary measures which necessitate a decision in this matter.

The supply of the Wehrmacht is based on the home production, the reserves which can be made available in case of mobilization and the foreign imports which still for some time must fill the present gaps of supply.

#### I. The German production.

The anticipating measures taken during the last 2 years by the Reich Cabinet to increase the home production of fuel, will not bring about an essential improvement of the supply situation during the current year because of the time required for factory construction and the uninterrupted increase of demand, but cannot bring an appreciable relief until the year 1938. The 1st in enclosure 1 of the requirements in case of mobilization and of the supply of these requirements by production, as well as the graphs added to the other enclosures, show the influence to be expected from the German production on the entire supply.

The expanding German production favors mainly light fuels, especially fuel for airplanes, and in addition, oil or airplane engines. As to the other kinds required by the Wehrmacht in case of war, we cannot expect any improvement for the time being; as to heating oils it may be anticipated that the situation will deteriorate. The development of new processes (Ube and Pott), the extent of which will shortly permit an opinion, offers certain possibilities of auxiliary supply which do not appear on the graphs, because the extent of the production possible until 1938 cannot yet be foreseen.

The inadequacy of the supply on the basis of home production is a fact which cannot be eliminated during the next 2 - 3 years, even with the greatest efforts and in spite of the planning started for additional expansion of production.

#### II. Reserves.

To assure the requirements of the Wehrmacht it becomes necessary to bridge the supply gaps by reserves. For the first period of mobilization the Wehrmacht relies on the reserves of business, especially of great importing corporations, which also in peace time consider stored reserves for about 3 months as indispensable for smooth distribution.



TRANSLATION OF DOCUMENTS 1301-PS  
cont'd.

(page 3 of original, cont'd.)

The Wehrmacht ought to be enabled to count on the amount of these reserves remaining constant.

Beyond that the Wehrmacht accumulates its own reserves in large storage houses so that considerable national reserves will be available as buffers in case of supply difficulties.

III. Dependence of the overall supply on imports.

The obstacles to importing encountered to a large extent during the last weeks, and which have been brought about by an accumulation of economic-political events in foreign trade.

(page 4 of original.)

endanger not only the maintenance of industrial reserves but also the continuation of the storage policy of the Wehrmacht. They shake the very foundations of the motorization program of industry and consequently also of Wehrmacht mobilization of mechanized vehicles to the extent planned for the case of war.

In particular large gaps have been opened:

- 1) due to the Russian prohibition of exporting petroleum, by which the benzol-association supplying about 20% of the German market got into considerable difficulties.
- 2) due to suddenly considerably increased demands of the Rumanians who offer fuel only in exchange for foreign bills proper (Bardevisen) and/or at greatly increased prices in marks. The contribution of Rumanian imports to the supply of German requirements was 40 % during the last year. The firm Olex which contributes 11 % to the German market has already been forced, due to the obstruction of Rumanian deliveries, to decrease its business considerably and will face a closing down of its market supply if relief is not procured before June 1936. Due to this reduction of imports similar stoppages are to be expected by the other great organizations of distribution during the same period.

#### IV. Means to secure the supply.

In considering how to meet the situation the following devices are unbearable for the Wehrmacht:

- 1) Reduction of mechanized traffic because this would, in addition to precarious economic and psychological effects, bring about a throttling of German motorization, which in view of the requirements of the Wehrmacht in case of war, would be a shock to mobility and supply of replacements.
- 2) Just as undesirable is to be considered the diminishing of reserves. The industrial reserves constitute the basis for mobilization, which has to rely on firm figures which remain about constant. As a decrease of reserves has already started, the further development in this direction is to be counteracted immediately. Aid from the reserves of the Wehrmacht cannot be granted because these modest quantities being ultimate reserves cannot be diminished under any circumstances.

Consequently, only the following means are to be considered:

- 1) Conceding to the Rumanian demands of paying imports in marks on a considerably raised price-basis.
- 2) Additional payments in foreign bills proper (Bardevisen) of imports from Anglo-Saxon countries.
- 3) Investigation to what extent an improvement can be achieved by accelerating or expanding the facilities for German production.

The first course has been followed by the authorization to negotiate new contracts on the basis of the Rumanian demands. Adequate and punctual delivery to the market,

(page 4 of original, cont'd.)

however, is not yet assured hereby.

Re.2.) Foreign bills (Devisen) for the minimum of the indispensable import requirements can probably be obtained only by reduction of import of other necessities. The narrow limits of the presently assured raw materials for armament do not allow for a decrease of such imports which are indispensable for the Wehrmacht. In particular we cannot do without the necessary quantities of metals required by the Wehrmacht for current procurements.

Re. 3.) As a result of investigations made, essential changes cannot be expected at a date within sight.

(page 5 of original.)

V. Uniform management of the petroleum industry.

During the last few months the Wehrmacht has repeatedly emphasized the unavoidable call for a uniform and planned steering of the entire German petroleum industry. The present dangerous situation of the German fuel industry puts this necessity again into the spotlight. The lack of stern guidance in the present moment must lead to severest damages to the public and the defense of the country. The duty of a management according to plans of the petroleum industry must be in the first line to avert the permanent threat to mechanized traffic and the preparedness of the Wehrmacht for action lying in the extensive dependency on forces outside of the German sphere of control.

Enclosure 1 to "Memorandum on the supply situation in the field of fuels and its effect on the Wehrmacht" of 9 March 36.

|                                      | Mob. requirements |                | Supply of requirements by production |           |
|--------------------------------------|-------------------|----------------|--------------------------------------|-----------|
|                                      | 1936<br>t/Jahr    | 1938<br>t/Jahr | 1936<br>%                            | 1938<br>% |
| Light fuels for car engines          | 900 000           | 1 530 000      | 43                                   | 60.5      |
| Light fuels for airplane engines     | 460 000           | 600 000        | 39                                   | 61.5      |
| (ill-sible), Fuel oil                | 650 000           | 1 280 000      | 11.6                                 | 22        |
| Heating oil                          | 800 000           | 1 200 000      | 30.6                                 | 22        |
| Lubrication oil for car engines      | 80 000            | 150 000        | 22.5                                 | 23        |
| Lubricating oil for airplane engines | 33 000            | 55 000         | -                                    | 22        |

(page 6 of original.)

IIa Needed raw materials 4/28/1936  
(with consideration of the program for the supply of  
ammunition, amounting to 200 million marks (Mil.RM.)  
(for the months of April 1936 to March 1937 - 12 months)

supply needed, submitted to  
R. i. Min. (letter of 1/13/36)

|        |      |         |                      |
|--------|------|---------|----------------------|
| copper | 540  | t/month | (without plate VIII) |
| lead   | 2300 | t/month | " " "                |
| zinc   | 3100 | t/month | " " "                |

supply needed, considering the 200 Mill.-plan.

|        |      |         |                      |
|--------|------|---------|----------------------|
| copper | 5850 | t/month | (without plate VIII) |
| lead   | 3350 | t/month | " " "                |
| zinc   | 4020 | t/month | " " "                |

Therefore the additional need amounts to

|        |      |         |
|--------|------|---------|
| copper | 450  | t/month |
| lead   | 1050 | t/month |
| zinc   | 920  | t/month |

Raw materials needed by parts of the Armed Forces  
(for the months of April 1936 to March 1937)

|        |      |     |     |      |      |
|--------|------|-----|-----|------|------|
| copper | 4830 | 670 | 175 | 175  | 5850 |
| lead   | 2750 | 280 | 300 | 20   | 3350 |
| zinc   | 2420 | 160 | 260 | 1180 | 4020 |

Secret

Raw materials needed by the armed  
forces during the years 1935 and 1936

| raw materials          | need. 1936          | t/month 1935 |
|------------------------|---------------------|--------------|
| <u>Iron and steel</u>  |                     |              |
| Iron ore Fe            | 130 000             | 80 000       |
| manganese ore Mn       | 7 000               | 4 000        |
| chromium 0,5 C         | 220                 | 88           |
| 0,5 C                  | 160                 | 86           |
| wolfram                | 80                  | 15           |
| molybdenum             | 40                  | 8            |
| vanadium               | 3                   | 1            |
| tantalum               | 2                   | 0,5          |
| silicon                | 400                 | 250          |
| <u>Non-iron metals</u> |                     |              |
| copper                 | 7 500 <sup>1)</sup> | 4 670        |
| lead                   | 6 500 <sup>2)</sup> | 3 520        |
| nickel                 | 275                 | 174          |
| tin                    | 150                 | 89           |
| zinc                   | 3 100 <sup>3)</sup> | 1 830        |
| aluminium              | 2 720               | 1 900        |
| antimony               | 55                  | 25           |
| cadmium                | 10                  | 0,62         |
| mercury                | 20                  | 12           |
| cobalt                 | 10                  | 3            |



TRANSLATION OF DOCUMENT 1301-PS  
cont'd.

(page 6 of original, cont'd.)

Note: 1) for cables 2100 t/month; starting on 1 Apr.36  
possibly only 6000 t/month, including 2100 t/  
for cables;

(page 7 of original, )

Note: 2) for cables 4200 t/month; starting 1 Apr.36 7800  
t/month which means 5500 t/month for cables;

3) from this amount: sheet-zinc in the limits  
of the quota of the association of zinc-  
rolling-mills 340 t/month; starting 1 Apr.36  
possibly only 2700 t/month including  
sheet-zinc.

| <u>Raw materials</u>   | <u>need. 1936</u> | <u>t/month 1935</u> |
|--|-------------------|---------------------|
| <u>Leather goods (economy)</u>   |                   |                     |
| skins and pelts  | 1 300             | 1 400               |
| natural tanning matter   | 800               | 860                 |
| <u>wood</u>  |                   |                     |
| special foreign timber   | 170               | 150                 |
| <u>grain, fodder &amp; further<br/>agricultural products</u>                 |                   |                     |
| linseed  | 1 500             | 1 900               |
| <u>coal and salt</u>   |                   |                     |
| of these 1500 t/month to produce the aluminum needed<br>by the armed forces. |                   |                     |
| oil coke (and Pitch coke)  | 1 700             | 1 300               |
| <u>various goods</u>   |                   |                     |
| diamonds, amounting to a<br>value of   | RM. 15 000-/month | 11 300 RM           |
| cane   | 200               | 160                 |
| mica   | 18                | 15                  |
| magnesite  | 1 200             | 1 000               |
| <u>rubber and asbestos</u>   |                   |                     |
| rubber   | 280               | 150                 |
| asbestos (spinasbest)  | 100               | 70                  |
| <u>fat for industrial purposes</u>   |                   |                     |
| glycerine  | 165               | 120                 |
| <u>petroleum oils</u>  |                   |                     |
| gas for plane engines  | 7 000             | 4 000               |
| light fuel f. motor vehicles   | 3 000             | 1 500               |
| lubrication oil f.<br>plane engines  | 700               | 200                 |
| lubrication oil f.<br>motor vehicles   | 500               | 150                 |
| gas-oil, (diesel)  | 7 500             | 1 200               |
| heating oil  | 15 000            | 6 000               |

|   | Fuel for motor-<br>ized vehicles |                   | Fuel for<br>airplanes |                   | Gas-oil<br>Diesel |                   | Situation re-fuel<br>Heating<br>fuel |                   | Oil for motor<br>vehicles |                   | Oil for air-<br>plane engines |                   |
|---|----------------------------------|-------------------|-----------------------|-------------------|-------------------|-------------------|--------------------------------------|-------------------|---------------------------|-------------------|-------------------------------|-------------------|
|   | Peace                            | case of<br>mobil. | Peace                 | case of<br>mobil. | Peace             | case of<br>mobil. | Peace                                | case of<br>mobil. | Peace                     | case of<br>mobil. | Peace                         | case of<br>mobil. |
| Total need<br>of armed forces and<br>economy t/year | 36                               | 38                | 36                    | 38                | 36                | 38                | 36                                   | 38                | 36                        | 38                | 36                            | 38                |
|   | 2000,000                         | 1,550,000         | 800,000               | 600,000           | 900,000           | 1,300,000         | 500,000                              | 1,200,000         | 75,000                    | 150,000           | 5,000                         | 15,000            |
| Production in<br>entire Reich-territory<br>t/year   | 900,000                          |                   | 80,000                |                   | 280,000           |                   | 270,000                              |                   | 20,000                    |                   | --                            |                   |
| Missing quantity<br>t/year                          | 1,100,000                        | 770,000           | --                    | 520,000           | 520,000           | 1,020,000         | 230,000                              | 930,000           | 55,000                    | 130,000           | 5,000                         | 15,000            |
| New planning  | 700,000                          |                   | 300,000               |                   | 200,000           |                   | ?                                    |                   | 20,000                    |                   | 15,000                        |                   |

PAGE 9

Berlin, 19 May 1936

Copy

Prime Minister General (Generaloberst) Goering  
Raw material and Foreign exchange staff  
Top secret  
To the Reichsminister of war  
Generalfeldmarschall von Blomberg

Enclosed, a record of the conference of the council of  
ministers of 12 May 1936 in the afternoon is forwarded.

By order  
/s/Loeb  
Lt. Col. in the General Staff

Top Secret

Record  
of the council of ministers on 12 May 1936 1700 hours

Chairman: Prime minister General GOERING  
Reichsminister of War Generalfeldmarschall von BLOMBERG.  
Reichsbank President and acting Reich and Prussian-  
minister for Economy Dr. SCHACHT.  
Reichsminister of Finance Graf Schwerin von KROSICK  
Prussian minister of Finance Prof. POPITZ  
as the recording secretary Lt. Col in the General Staff LOEB

Minister Schacht: shows the development up to now when two years ago, the decision for rearmament was made, it was decided to carry out the financing mainly outside the means of the Reichsministry of Finance. This meant the commitment of the last reserve from the very beginning. A decision which did not seem without hazards. The memorandum of 3 May 1936 says the same thing.  
In the course of the last two years, the program was increased more and more in its extent and speed. Thus the requirements to the Reichsbank were increased steadily. It would be necessary to create, as basis for financing, a steady, prosperous economy, and therefore renounce the execution of other, partially irrational ideas and aims of the party. The psychological pre-requisite was not disturbed by the party as such, but by many individual groups of the party, again and again: personal attacks against Dr. Schacht and thus against the economy followed. Dr. Schacht has emphasized again and again, that one must follow a cultural and legal policy, which will leave economy alone. However one must not describe it as greedy and selfish from the beginning.  
Also money theories of the most variable kind have been published repeatedly, thus causing anxiety for the economy; to counteract this was practically impossible, as the propaganda machine of the party did not permit this. Despite all this, Dr. Schacht continued to work, because he stands with unswerving loyalty to the Fuehrer, because he fully recognizes the basic idea of national socialism and because at the end, the disturbances, compared to the great task, can be considered irrelevant. Previously, approximately 11 billions marks besides the budget have been raised for rearmament and reemployment without shaking

the rates of exchange and currency; the rate of interest could be lowered.

The Fuehrer has repeatedly emphasized in personal talks and cabinet meetings, that the speed of rearmament must be kept up until the spring of 1936. This was agreed to and carried out.

Prime minister Goering: has never heard about this time limitation.

Minister Schacht: The main question for the further execution of the program is how much money can be gotten out of business. Some 2 billion can be consolidated annually by long term loans, 8 to 9 billion cannot be asked for; the possibility of making



PAGE 10

available depends on the development of the money market. Full concentration of the money market through the Reichsbank is necessary.

If the Reichsbank should have to issue more notes than could be born by the currency, one must reach back to other factors.

Dr. Schacht will never be party to an inflation; the Fuehrer also has decided in this sense. The danger of such a development is imminent. If a road is to be taken, which contains this danger, Dr. Schacht would like to drop out on time, so that he does not disturb the new course.

Dr. Schacht considers it impossible, that prices can be fixed by the state, if the same money policy is continued.

Prime Minister Goering: That is the basis of currency with the Reichsbank?

Minister Schacht: This question has nothing to do with the gold standard. It is a question of something inponderable, to recognize the time of which must be left up to a fine sensitivity. If by a surplus of money, the danger of devaluation of the mark exists, the state can and must take action from the financial side by taxes etc. Considering the material factor, it must be determined, that we are dependent for numerous goods on foreign countries. Even small percentages as a whole have considerable effect. In many cases, the necessity for import is caused by trade and political relations; therefore the raw-material situation may not only be viewed and attacked from the production within Germany. The foreign relations must not be decreased all of a sudden. For instance the negotiations with STANDARD and SHELL were carried out on this basis.

Prime Minister Goering: When substitutes (ersatzstoffe) are sufficient in quantity, we shall no longer need the import, which presents us such difficulties.

Minister Schacht: In a series of cases, to be able to carry out the import, work from within Germany was utilized for compensation, for instance tankers for oil import corporations.

However it is especially required that nothing be said about intentions and measures of this field in public, so as not to aggravate the importers.

Prime Minister Goering: If the Fuehrer has expressed himself in this direction, he did it to counteract the increasing pessimism in the country in respect to this field.

Minister Schacht: In any case, all anxiety must be prevented. Foreign exporters have already shown less readiness to deliver against certificates of foreign exchange, since they apparently have no more confidence in the cashing of these certificates.

Prime Minister Goering: Our raw material situation is generally known to the world. The article published in the papers on 28 April 1936 did not contain anything secret. Actually the confidence abroad should have been increased by this publication, because generally the opinion was held

abroad, that Dr. Schacht was protected by the Prime Minister against the party.

Minister Schacht: The situation at present is thus:

Some 64 million marks are already claimed by reimbursement.

We must buy especially crude rubber and textiles; we have practically no crude rubber. Cellulose wool is not an adequate substitute, especially not for export goods. The necessity for the closing down of manufacturing plants will soon result from this accordingly.

It must be decided whether the available gold should be all spent at the present speed or whether it should already be slowed down.

Swedish ores are still available for about 3 months. The export to Sweden becomes more difficult, and thus the import possibilities decrease.

PAGE 11

Prime Minister Goering: is of the opinion that our export to Sweden continues, so that one can further count on import.

Minister Schacht: The raw material supply of Germany amounted at the beginning of the war to a value of about 7 to 8 billions; now it is less than 1 billion.

Prime Minister Goering: has heard repeatedly, that export business was refused by the Reichminister for Economy. In the future, the departments will be caused by him to re-examine such occurrences; perhaps then it will work differently than until now.

Minister Schacht: Increase of our export appears improbable in the near future. Further obligations arise through the Foreign Office, the Reichsbahn, Post Office, Party and other agencies; soon the consular service cannot be paid any more.

The time will come, when we will have no longer any reserves of either raw materials or foreign exchange at our disposal.

Prime Minister Goering: If we have way to-morrow, we must help ourselves by substitutes. Then money will not play any role at all. If that is the case, then we must be ready to create the pre-requisites for that in peace. The account just described could have also been presented, in his opinion, in the meeting this morning.

Minister Schacht: Publication is recommended for only the smallest circle.

Prime Minister Goering: It is necessary to inform the people required or the execution.

Minister Schacht: In his opinion only the ministers, not the state secretaries. In addition, each department must be called in individually.

Prime Minister Goering: The psychological pre-requisites for the correct approach to the work must be created everywhere. The actual work is done by the state secretaries and the experts. In the future one must go much more into detail; confidence in the persons employed in this is absolute necessity.

Prime Minister Goering: summarizes the explanation by Minister Schacht: in short, demands on the Reichsbank can no longer be covered; only 64 million marks are still available.

Minister Schacht: declares that besides these 64 million Reichsmarks in the private banks, there are another 72 million held with the Reichsbank.

Prime Minister Goering: continues with the summary:

The shortage of raw material is known in its extent. A considerable increase is no longer possible, in the opinion of Minister Schacht.

Minister Schacht: The production of raw materials within Germany finds its limitation there, when an increase of prices of export goods created by it.

Prime Minister Goering: One can separate requirements within Germany and export. Even the smallest details are important. The following appears necessary.

PAGE 11 Cont'd

- 1) Increase of export despite all difficulties.
- 2) The raw material coverage within Germany.
- 3) The possibly necessary resettlement of worker and food fundamentals for the execution of all measures.

These problems all affect each other, so that the participation of all departments is necessary.

Appropriate example: Position of the farmer, who does not utilize the available possibility of intensifying of fertilizing, because the capital lost is not bearable for him in case of bad harvests. In such a case, the risk lying with the weather must be partially taken from the farmer by a special organization.

The Reichministry of Finance must also be consulted greatly in reference to the regular budget. Re-awakening of thriftiness in all fields belongs to this program.

Minister Pomitz: The final conclusions made by Dr. Schecht are clear and convincing, under the condition that the bases for these conclusions are correct. That



PAGE 12

must be examined. It must be determined again, whether the principles, according to which the present raw material and foreign currency policy has been carried out with such a big success, are unalterable and correct.

The time when perhaps and inflation is feared is unclear; actually it is already here, even if it has a bearable extent.

An increase of export cannot be expected with the present system. However it is to be examined, whether there is not a better system. The basis of the present economic policy is deflationary. However it appears impossible to integrate the deflation into an actually existing inflation. It must be discussed whether forced economy of export is to be continued.

It is to be examined further, whether the money for rearmament can be drawn out from the remaining economy. In no case may the condition arise, that the Reichminister for Finance and the Reichminister for Economy push the responsibility for the providing of funds to each other.

The difference between 2 billion Reichsmarks, which the Reichsbank believes to be able to raise on a long term basis, and the 8 to 9 billion Reichsmarks required for armament, cannot be covered by taxes. Therefore the following suggestion:

- 1) The raw material question, which can be solved comparatively simply, must be attended to at once by a special committee.
- 2) Illuminate critically the export question, so to say, in a scientific manner.

Minister von Krosigk: Economy of foreign exchange in detail is necessary. In that, small things also play a part. Equal saving is necessary in spending money within Germany. In contrast to Minister Popitz, he is of the opinion that expenses for armament must be taken ever more and more by the regular budget. Expenses above this budget are to be covered

- a) by long term consolidation of annually some 2 billion marks.
- b) by short term bills of exchange and similarly.

The financing has succeeded up to now by these two means.

However the danger exists, the short-term bills of exchange can no longer be negotiated, so that flooding of the Reichsbank with REFO bills would have an increased printing of banknotes as consequence.

Minister Popitz: In this case, printing of bank notes is only necessary if the money is absolutely necessary for payment of wages among other unavoidable things.

Minister von Krosigk: The decisive question for that is, whether inflation would actually happen by printing of banknotes to this extent. He does not believe so. The increase of prices observed so far was not caused by monetary reasons, but can be derived from increase of prices for raw materials and agricultural products. Thus one cannot speak of an inflation.

Prime Minister Goering: does not believe that an inflation would happen from the monetary angle.

Measures which in a state with a parliamentary government would probably bring about inflation, do not have to have the same results in a totalitarian state.

Important for this is the application of an appropriate propaganda, so that the co-operation of the propaganda ministry, promised by the Fuehrer, is of great importance.

PAGE 12 cont'd

Minister Schacht: gives a summary of the holdings of bills of exchange in the Reichsbank at present:

4,353,000,000.--Bills of exchange

3,731,000,000.--of which are in REPO bills of exchange

2,200,000.--REPO bills of exchange are deposited in clearing accounts. More than 5 billions in bills of exchange are deposited thus, that they can be presented immediately in case of disturbances of the money market, caused by any measure.

Therefore any disturbance must be prevented under all conditions.

Prime Minister Goering: agrees to be the "shield" for the measure of financial nature, so that no disturbances would happen.

The regular budget is to take over the current up-keep of the armed forces, but not the costs of the reconstruction.

(Page 13 of original)

Minister Popitz: It is to be examined whether the regular budget cannot be relieved from interests and amortization quotas of advanced drawings. Even the observing of the international bank law cannot prevent the using to these recognized necessary measures in this direction.  
If the economy is started by increased export, naturally the circulation of money will increase and with that the possibility of further financing.  
If the money, which had to be put into circulation, is only used for payment of wages, no inflation can take place.

Prime Minister Goering: orders:

- 1) Determination as rapidly as possible of the basis of payment.
  - 2) Beginning of the execution work in the realm of new material production within Germany.
  - 3) Examination of the question of the export system.
- In the next conference, contemplated for Friday afternoon, the examination of the export system is to take place.  
First under his chairmanship (Goering's) the ministers Dr. SCHACHT, Graf SCHWEIN VON KROSIGK and Prof. Dr. POPITZ will consult each other. Then, immediately thereafter, the suggestions voiced there are to be discussed by a board of experts. The following were named for this board:

By Minister Schacht:

Reichsbank Director BRINKMAN  
Reichsbank Director BLESSING  
Ministerialdirektor Dr. SARNOW

By Minister von Blomberg:

Dr. TREIDELBURG

By Minister Popitz:

Dr. SPRINGORUM  
Dr. SOGLMEIER

Further:

Dr. BUECHERLEISTER KROGSMANN  
Prof. WAGEMANN

and others, who will be appointed by the Prime Minister.

Prime Minister Goering: states that he can expect and demand discipline from the party, so that the protection of the individual auditor, called, is guaranteed.

Close of the conference; 1910.

Summary of the raw material situation

2 May 1936

|   | Iron ore                  |                         | Aluminum                  |                         | Crude rubber              |                         | Cellulose wool            |  | Notes |
|---|---------------------------|-------------------------|---------------------------|-------------------------|---------------------------|-------------------------|---------------------------|--|-------|
| Total requirement for the armed forces and the industry (estimated) | peace case of mobil. 1936 | war case of mobil. 1938 | peace case of mobil. 1936 | war case of mobil. 1938 | peace case of mobil. 1936 | war case of mobil. 1938 | peace case of mobil. 1936 | war case of mobil. 1938                                    |       |
|   | 6.5 million               | 11 million              | 105000                    | 160000                  | 75000                     | 85000                   | 12000-70000               | depending on import of natural fiber                       |       |
| Production entire Reich industry                                    | 1.8 million               |                         | 86000                     |                         | 1000                      |                         | 12000-70000               |  |       |
| Deficit   | 7.7 million               | 9.2 million             | 9900                      | 64000                   | 74000                     | 84000                   |                           | any increase in production would be taken up by the market |       |
| Excess  | --                        | --                      | --                        | --                      | --                        | --                      |                           |  |       |
| Tentative plans for expansion of own production                     | 1.2 million               |                         | proposal Kepler ----      |                         | 2400                      |                         |                           | first increase until end of 1936 870000 t                  |       |



(page 15 of original.)

Prime Minister General Goering  
Raw Material and Foreign Exchange Staff  
Berlin, 30 May 1936  
Behrenstr. 68-70  
Telephone A 20048

Journal No...../36 (initial) BG th 2/6  
(initial)

Rubber Stamp  
Top Secret

To the

Reichminister of War  
Generalfeldmarschall von BLOMBERG

B e r l i n

Enclosed, a report of the conference of the council  
of ministers of 27 May 1936, is forwarded.

By Order  
LOB  
Lt.Col. in the General Staff

1 Inclosure:

Top Secret

Copy of meeting of Minister on 27 May 36,  
at 1130 o'clock.

Chairman: Ministerpräsident Generaloberst Goering  
Reichskriegsminister Generalfeldmarschall von Blomberg  
Reichsbankpräsident und kommissarischer Reichs- und  
Preussischer Wirtschaftsminister Dr. Schacht  
Reichsfinanzminister Graf Schwerin von Krosigk  
Preussischer Finanzminister Prof. Dr. Popitz  
Recording Secretary: Lt.Col. in the General Staff LOB

Prime Minister Goering: The two sessions of the board of  
experts held so far have brought forth interesting dis-  
cussions. Naturally, opinions frequently disagree.  
The experts are invited to state their concepts in  
writing.

Today, discussion concerning the question of substitute-  
material. What objections are made to the production of  
war-raw materials within the Reich?

Minister Schacht: Principly there is nothing to object;  
a solution of the raw material problem by self-producing  
is absolutely necessary and agreed with, theoretically.

Difficulties are encountered with regard to:

1) serious monetary strain because of investments.  
Providing money by taxing capital is impossible. Circu-  
lation of money can not be increased beyond a certain  
amount. Previous measures executed correctly and without  
danger to monetary value. Further increase seems precar-  
ious; matter of confidence. This point of view alone,  
however, not determining; possible that funds could be  
drawn from industrial profits.

2) special scruples, regarding the cases where prices  
for substitute (Ersatz) material are far beyond world-

(page 15 of original, cont'd).

market prices, and therefore the products cannot compete. (for example: tires made from BUNA). Adjustment would further increase the excise tax on exports. Inflation cannot be chosen, as this would immediately upset the state's budget.

It must be attempted to produce those raw materials within Germany which are economically favorable; for other raw materials ready reserves for the case of mobilization (Mobfall). Especially clear is the situation of flax; the complete covering of the requirement is possible; however not with hemp.

Certain raw materials for war must be stocked.

These viewpoints are recognized and followed by the Reich ministry for Economy. The execution is mainly dependent on the question of funds. Therefore, necessity to save in all fields, to make saved funds available for investment.

Prime Minister Goering: All measures are to be considered from the standpoint of an assured waging of war.

Ready reserves must ordinarily be accumulated already in peace in certain

(page 16 of original)

amounts.

It is to be attempted to use cheap imported raw materials for export purposes, expensive raw materials from within Germany. In cases where the price differences are small, probably creation of a settlement is preferred.

Minister Schacht: This settlement can be carried out either by compulsory mixing or by a price settlement by the state of the expensive raw materials.

In any case, price supervision must be introduced again.

Minister Popitz: Placing of the burden of increased prices on the consumer is possible when the difference is only small.

The other possible method is sales monopoly or whole-sale monopoly of certain goods.

Minister Schacht: It is recommendable not to influence individual, large fields, for instance textiles, by prices; but to concentrate funds for the monetary subsidization of other fields of raw materials.

Minister von Krosigk: The question cannot generally be judged theoretically, but only practically with the use of individual examples.

Prime Minister Goering: At first, the specially urgent petroleum question is to be treated.

General agreement to that.

Minister von Krosigk: Present experience is that the beginning of new methods of sale or price guaranteed by the Reich results thus, that soon now and cheaper production methods are found. This recommends a not too

(page 16 of original, cont'd)

sudden expansion of production.

Prime Minister Goering: Waiting for new methods is no longer appropriate. Plan of the Reich forestry office for the utilization of wood is ready. Import of timber must be cut down in any case; strongest demands on German forests to be preferred at present and can be advocated.

It is to be decided, whether at the beginning, a risk bonus over 6% profit is to be granted.

Minister Schacht: turns against higher profits than 6%.

Guarantee of interestbearing is to be preferred, and must be sufficient.

Minister von Krosigk: discusses the advantages of the amortization program.

Minister von Popitz: In contracts many times rapid cancellation is contemplated.

Minister Schacht: At the beginning more consideration is recommended, later stronger concentration, with profit sharing by the Reich.

Minister Popitz: requests that the cancellation periods be re-examined by a special committee.

Prime Minister Goering: The summary is to be prepared for the next committee meeting about:

- 1) Inventory of German Raw Material possibilities.
- 2) Form of the present decrease.
- 3) Mobilization requirement.
- 4) How shall raw materials be handled? Especially clarifications whether production within Germany is to start already in peace or whether the stocking of reserves is more important.

Subject of petroleum also can be considered concluded, therefore is to be handled immediately.

In the next council of Ministers, discussion of the agricultural question, when Minister Darre and State Secretary Baake present.

Minister von Blomberg: In the fuel industry it is to be decided whether conversion to solid fuels should already be carried out in peace, or whether, as in France, it is to be prepared for the mobilization case. If possible and recommendable, increased use of tar coke (Schwelkok), no diesel oil for railroads.

(page 17 of original)

Prime Minister Goering: Economy also absolutely necessary and to be insisted on in other fields of raw materials.

Minister von Blomberg: Examine as an example substitution of heavy metal by light metal (for instance cans of aluminum): general increase of the use of glass, especially for aerial bombs, maybe also for grenades; use of plastics for wide fields, even as far as transmissions. Certain hopes can be set on China.

Therefore prevent political estrangement. Careful advances in the approaching of Japan necessary, at present the recognition of Manchukuo would be disastrous for Mr. Klein's current plans in China.

Prime



(page 17 of original, cont'd.)

Prime Minister Goering : Common front of China with Japan against Soviet Russia can probably be produced.

(in green pencil) I did not express myself so specifically BL/

Minister von Blomberg: Japan is doubtful as a factor of military power.

Prime Minister Goering: Furthermore, the danger of Japan's turn about always exists.

Results of the China affair cannot be viewed clearly because of the unclear inner political situation.

Minister Schacht: always has supported the attempts of Mr. Klein, because he especially hopes for food raw materials from China.

Minister von Blomberg : recommends further collaboration with the Kaiser Wilhelm Gesellschaft, with whom the Reich-ministry of War had very good experiences. At its head is the scientific authority; other imminent changes for solution proposed by the party unbearable.

Minister Popitz: Nomination of Geheimrat Bosch is possible for this post, when his resignation from the IG is possible.

Minister Schacht: General complaints about the deterioration of German science; this is also harmful for export, since the missing replacement limits the execution of German engineering missions abroad and thus German orders from abroad.

Minister Popitz: Secons these complaints. Actions by the party which remove the most important people is unbearable. Explanation by examples.

In the liberal arts, the consequences are not being felt immediately, all the more so in the natural sciences. If service etc should be limited to the first two semesters of study, then full time and freedom for scientific activity.

Prime Minister Goering: In Prussia then, difficulties are partially removed. Influence of the liaison staff not always fortunate. Role of Professor Wagner.

Puts to discussion a taking over of a Spanish tin source, which is being offered from the Swedish side.

Minister Schacht: Basically in agreement, particularly when in a partnership enterprise German achievements will result by deliveries of machines.

Prime Minister Goering: asks Minister Schacht to conduct negotiations in this spirit during his visit in Belgrade relative to Yugoslavia in the near future.

Minister Schacht: The copper mining in Yugoslavia must take place by excluding the French, who sell copper for foreign exchange only.



(page 17 of original, cont'd).

Prime Minister Goering: During the next ministerial session, the investigation of the problems in the agricultural sector has to be conducted in such a way that direct statements of Minister Schacht/Minister Darro should be made about the single problematic issues.

End of the session 13 o'clock.

(page 18 of original.)

Fuel-supply Situation  
(1st draft of a plan for solution ) 27 May 1936

|   | Light vehicle fuel  |                   | Airplane fuel |                   | Gas oil   |                   | Heating oil   |                   |
|---|---|-------------------|---------------|-------------------|---|-------------------|---|-------------------|
|   | Peace   | case of<br>mobil. | Peace         | case of<br>mobil. | Peace   | case of<br>mobil. | Peace   | case of<br>mobil. |
|   | 36  | 38                | 36            | 38                | 36  | 38                | 36  | 38                |
| Total requirement<br>Armed Forces and<br>Industry<br>tons/years | 2,000,000   | 1,600,000         | 80,000        | 600,000           | 800,000   | 1,300,000         | 500,000   | 1,200,000         |
| Production in the<br>entire Reich in-<br>dustry tons/years      | 1   | 1300,000          |               |                   | 220,000   |                   | 270,000   |                   |
| Deficit from<br>requirements of<br>mobilization tons/years      |   | 950,000           |               |                   | 1,080,000   |                   | 930,000   |                   |
| To be covered by conversion<br>(substitute fuel)                |   |                   |               |                   | 200,000   |                   |   |                   |
| Necessary new plans   |   | 950,000           |               |                   | 880,000   |                   | 930,000   |                   |
| Proposal for a<br>solution                                      | 3 Fischer plants of 320,000 tons<br>each by the end of 1937 |                   |               |                   | 4 IG-Pott plants<br>of 220,000 tons/<br>year each by end<br>of 1937 |                   | 3 Fischer whole Pott or<br>distilling plants of<br>310,000 tons/year each |                   |
| Costs   | 380 million RM  |                   |               |                   | 400 million RM  |                   | 370 million RM  |                   |

160

Copy of draft

Top Secret

31 August 1936

The War Minister and Supreme Commander of the Armed Forces

4 copies

(Per R.M. Min. u. Ob.d.F.)

1st copy - draft

No. 2001/36 Top Secret WH

2nd copy - Reich Air Ministry

3rd copy - Reich Ministry for Finances

4th copy - President of the Reichsbank

- 1) To the  
Reich Minister of Air and the Supreme  
Commander of the Air Forces General Goering  
Berlin W 8

Dear General Goering!

The negotiations conducted until now in the Reich for foreign exchange and raw materials which is under your leadership, have already shown the necessity of dealing also with the financing of the armed forces there also. I believe the time has now arrived that the commission should take up the treatment of this problem.

As a preparation of such a discussion I suggest the following:

I. Overstepping of the 1936 budget.

It has been proven, particularly from the decree issued 7 March 1936, that the sum of about 10 billions of RM which was provided for the Wehrmacht for 1936 is not sufficient.

1. Additional expenses in the army are needed in first place by

- a) the remilitarizing of the Rhineland
- b) the fortification of the Rhineland
- c) the setting up of all the 36 divisions already by 1 Oct 1936
- d) the speeding-up of motorization, particularly the establishment of 4 fully motorized infantry divisions.
- e) the necessity of markedly increasing the reserve ammunition because of the increased number of divisions.
- f) industrial preparations in a great variety of fields

2. In the navy the required faster increase of personnel, the building of a 4th entry to Wilhelmshaven and the re-fortification of Helgoland cause additional expenses.

3. Air Force

a) According to an order of the Fuehrer, the setting up of all-air force units has to be completed on 1 April 1937. Therefore considerable expenditures have to be made in 1936 which at the time when the budget for 1936 was made, were planned for later years only. Special additional expenses are caused by the creation of sufficient ground force personnel.

b) In the air force the first introduction of new types has to take place in 1937. Therefore the required industrial preparations have to begin in 1936.

It follows that an additional sum of at least 3,8 billions of RM will be needed by the Wehrmacht for 1936.

Of this about 1 billion RM is allotted to Army and Navy together. In the case of the Army and Navy, the execution of the orders and, in consequence, the deadlines for the payments of the deliveries lagged quite considerably behind the placing of the orders. Therefore it can be assumed that these 1 billion RM will not be needed in cash before 1 Apr. 1937. However, the orders for these 1 billion RM have been placed and in the fiscal year 1937 these 1 billion RM will also be needed in cash.

In the air force the additional expenditures amount to 2600 millions RM. Here the execution of the orders from the budget funds of 1936 as well as of the orders for the additional requirements is in full progress. The 2600 millions RM for the air force have to be made available in the fiscal year 1936.

As yet it cannot be ultimately settled whether the introduction of the two years' service will lead to further additional expenses.

#### II. Requirements for 1937

The preparatory works for the budget of 1937 have not been concluded. At present the requirements for 1937 are estimated to be for

|                  |                  |
|------------------|------------------|
| 1. the army      | 6,5 billions RM  |
| 2. the navy      | 1,2 billions RM  |
| 3. the air force | 6,0 billions RM  |
| Total            | 13,7 billions RM |



(Page 20 of original)

Besides these 13.7 billions RM about 500 millions RM will be needed for the Reich defense requirements of the civilian departments.

### III. Permanent requirements

According to a recently conducted survey, the component of the armed forces will have the following permanent requirements after the rearming is completed:

|             |                   |
|-------------|-------------------|
| 1 Army      | 3.6 Billions RM   |
| 2 Navy      | 0.73 " "          |
| 3 Air Force | 2.507 " "         |
|             | 6.837 Billions RM |

At present it is hardly possible to make an accurate estimate of the permanent requirements. In the case of the Army it is very likely that the amount for the permanent requirement will be considerably raised.

Later I will submit further material, particularly a statement about the requirements for the years until the completion of the rearming, as soon as the necessary inquiries are concluded.

I submitted copies of this letter to the Reich Minister for Finance, and to the President of the Reichsbank.

Heil Hitler!  
Yours,

2. To the Reich Minister for Finance  
Berlin V 8  
3. To the President of the Reichsbank Dr. Schacht  
Berlin S 111

Copy (of 1)  
for your kind information  
4. IV Chief of VA Chief VE  
signed F

#### Remarks:

1. Major v. Wolff has given the letter addressed to General Goering to Lt. Col. Bodenschatz on 31. Aug.
2. I have personally handed the letters 2 and 3 to the President of the Reichsbank, Dr. Schacht, and to the Reich Minister of Finance, Count Schwerin von Krosigk, on Aug. 31.

signed T.

Copy authenticated  
Hollander  
Ministerial Councillor  
30. Sept. 36.

(Page 21 of original)

initialed (Flomberg?)  
initialed : E 2/9 (Kottel)

President SCHACHT called me to him today at 1300 and requested me to forward the following to the Minister of War:

Schacht returned from the Fuehrer with the greatest anxiety, since he could not agree to the economic program planned by the Fuehrer.

The Fuehrer wants to speak at the very convention (Parteitag) about economic policy, and wants to emphasize there, that we now want to get free with all our energy from foreign countries by production in Germany.

Schacht requests urgently, that the Reichminister of War warn the Fuehrer from this step.

If the Fuehrer emphasizes in front of the masses in Germany, he will receive a great amount of applause from the audience, but with it he will bring failure to the entire commercial policy. There is only one thing in our needy position: the promotion of export. Every threat against foreign countries however, will show contrary results.

We have reserves in the field of fuels until the middle of next year. there will not be large amounts in the field of rubber. The Mann-process in the field of ores is having great difficulties.

If we now shout out our decision abroad, to make ourselves economically independent, then we cut our own throats, because we can no longer survive the necessary transitory period.

Also, it must always be pointed out that German materials are at present much too expensive to be used for export, and export alone makes further armament possible.

If the food-basis of the people is not to be endangered, the Fuehrer must refrain from his plan.

President SCHACHT concluded, that he again requests urgently to listen to this warning, and that he forwards it to the minister of war, as he will not participate in to-morrow's conference.

Thomas 2/0 (in blue pencil)

(Translator's note: the following is written in pencil in the original)  
THOMAS in his memorandum:

"The missing million in cash must be saved, since there is no more possibility to obtain it by increase of export."

English armament— ore! Our own procurement is a must.

4 Year Plan without antagonizing foreign countries.

Cord filo?

Speed of armament? Yes —

"Extent of armament not sufficient. Backing by foreign exchange and raw materials is absolutely necessary."

(page 22 of the original)

Top Secret  
(rubber stamp)

1st copy  
5 Sept. 1936

II II  
File No 66 b 9910 II x-a

Minutes  
on a Conference in the Reichministry for Economy  
on 3 Sept. 1936

|   |   |   |
|---|---|---|
| Chairman: Ministerialdirektor Sarnow          | ) | Reichministry for Economy and<br>the competent experts of the |
| Present: Ministerialdirektor Dr. Landwehr     | ) | Reichministry for Economy and<br>the supervisory agencies     |
| Ministerialdirigent Dr. Smitta                | ) |   |
| Oberregierungsrat Dr. Michals                 | ) |   |
| Major Ozimatis                                | ) | Reichministry of War, V.A.                                    |
| Commander Griebel                             | ) |   |
| Regierungsbaureat Wissmann                    | ) |   |
| Intendanturrat Bierhoff                       | ) | Reichministry of War, V.A.                                    |
| Lt. Col. Bloch                                | ) | Reichministry for Air and                                     |
| Col. Hitting                                  | ) | Supreme Commander of the                                      |
| Dipl. Ing. Brosser                            | ) | Air Force   |
| Gen. Direktor Schirner, combined alum. plants | ) | only during the   |
| Dr. Ostreich                                  | ) | conference on   |
| Hr. Meyer Alum. Sales Corp.                   | ) | aluminum  |

Subject:

- I. Possibilities of allotment of foreign exchange to the armed forces and economy.
- II. Aluminum supply.

I. After extensive study of the connected disadvantages, the Reichministry for economy has dropped the principle that one could assist from exporting all products with more than 40% foreign raw materials. Therefore and additional need for foreign exchange results for the upkeep of the export of 2 million marks with the supervisory board for base metals. Furthermore the allotment of cash foreign exchange to the supervisory board for best fibres must be increased from 10 million marks to 17 million marks.

Intendanturrat Bierhoff made reports on the need of the Armed Forces of textiles and leather in the year 1937, which has increased considerably from the requirements of the year 1936 (see inclosure). To fulfill these Armed Forces requirements, cash foreign exchange is necessary in the following amounts:

| Group of goods             | Additional Armed Forces requirements<br>of cash foreign exchange in million<br>of marks |
|----------------------------|---|
| 1. Wool                    | 24  |
| shredded wool (Reisswolle) | 3   |
| mohair wool                | 0.75  |
| 2. silk                    | 0.55  |
| 3. bast fibres             | 0.35  |
| 4. cotton                  | 4.  |
| 5. leather                 | 22.5  |
| Total                      | 55.00   |
| - 30 -                     |   |

(page 22 of original- cont'd)

Accordingly, the following overall picture results:

Amount of cash foreign exchange necessary previously for the upkeep  
of economy and for the covering of requirements of the Armed Forces.

900 million marks

Amount of cash foreign exchange necessary for the upkeep of export.

243 million marks

Additional requirement of cash foreign exchange necessary for the  
Armed Forces.

146.8 million marks

Available amount of cash foreign exchange

140 million marks



(page 23 of the original)

## II. Aluminum

Report on the requirements of aluminum for the Armed Forces are contained in the summary given to the Reichministry for Economy on 23 Aug.

Major Ozimtis explained that the Reichministry of War did not renounce the limitations of the allotments of aluminum to the general industry, as it was said in the letter of the Reichministry for Economy of 21 Aug 1936, but that the demands for full delivery to the Armed Forces for the programmatic rearmament, especially of the Air Force, will be kept up.

The Reichministry for Economy considers the full delivery to industry urgently necessary also in the interest of the Armed Forces, since by a "strangulation" installations important to the Armed Forces (power issues) would also be affected immediately, and one could therefore count on an increased requirement of copper and thus of foreign exchange.

The administration of aluminum by the supervisory board for base metals is being absolutely refused by the Reichministry for Economy.

Generaldirektor Schirner reports that the negotiations for the import of 1000 tons of aluminum from Switzerland against delivery of German clay and pitchcoke are favorable. Also, the payment of processing wages is to be done with clay. However, the import of these 1000 tons is distributed over 5 to 7 months.

1000 tons more can be obtained in a comparatively short time from the Aluminus Ltd. from Gensar. The negotiations for this are still in process.

Schirner reported that the stocks of aluminum in the plants is so high that he, in case the Reichministry for War should agree to a temporary decrease of the stocks, could guarantee full delivery for both the Armed Forces and Industry until the opening of the new plants in Leoben and Witterfeld.

Lt. Col. Bloch consents that the stocks be decreased temporarily.

The Reichministry for Economy orders that the supervisory board for base metals first determine by revision the exact size of the stocks of aluminum for the German Metal works and the combined Light Metal works (Vereinigte Leicht-Metall-Werke).

However, if difficulties should arise in the delivery to the Armed Forces with aluminum, then the Reichministry for Economy is ready to take up negotiations again.

LN (initials in pencil)

## Inclosure

### Textile and Leather Requirements of the Armed Forces

| Raw materials                        | Requirement in the year 1936 in tons | Requirement in the year 1937 in tons | Required additional cash foreign exchange requirements in million of marks |
|--------------------------------------|--------------------------------------|--------------------------------------|--|
| sheared wool                         | 7 200                                | 18 150                               | 34   |
| wool scrap (Reisewolle)              | 1 040                                | 4 800                                | 3  |
| combing                              | 11                                   | 42                                   | -  |
| mohair wool                          | -                                    | 360                                  | 0.75   |
| wool from tanned hides (Gerberwolle) | 751                                  | 1 236                                | ..   |

(page 23 of the original - cont'd)

| Raw materials   | Requirement in the<br>year 1936 in tons | Requirement in the<br>year 1937 in tons | Required<br>additional<br>cash foreign<br>exchange re-<br>quirements in<br>millions of<br>marks |
|---|---|---|---|
| silk  | 23                                      | 72                                      | 0,5   |
| cocoons*  | 72                                      | 72                                      | -   |
| silk yarns*   | 48                                      | 48                                      | -   |
| (*figures by Reichsministry for air)  |   |   |   |
| cotton of which qual-<br>ity cotton Portiros<br>and smaller halves<br>(Egypt) | 8 600                                   | 16 200                                  | -   |
| cotton scraps   | 560                                     | 835                                     | -   |
| artificial silk   | 310                                     | 670                                     | -   |
| cellulose wool  | 1 080                                   | 3 130                                   | -   |
| cleaned flax<br>(Schwefelachs)  | 3 600                                   | 4 800                                   | -   |
| flax scrap  | 7 070                                   | 10 500                                  | -   |
| jute  | 2 100                                   | 2 100                                   | -   |
| (page 24 of original)   |   |   |   |
| soft hemp and )<br>hard fibers )<br>of which hard fiber                       | 1 100                                   | 1 635                                   | 0,25 (**)   |
| sheep leather   | 11 000                                  | 24 000                                  | (**) for 400 tons soft<br>hemp and 200 tons<br>Manila and Sisal                                 |
| skins for uppers  | 7 100                                   | 13 900 )                                | "   |
| tanned leather  |   | 4 100 )                                 |   |
| leather for soles   |   | 9 500 )                                 | 22,5 (***)  |
|   |   |   | (***) for 22 500 tons<br>hides corresponding<br>to 11 200 tons leather                          |
| Total   |   |   | 55,00   |

It must be considered in the calculation of the foreign exchange requirements for the upkeep of the export of woolen goods, that the wool industry cannot stand more than a 10% decrease of the present amount, if it is to retain its export capability. Instead of Australian wool, one must reach back to about 50% of the available South-African wool for the exports. The wool available through the limitations of value of the clearing agreement is entirely used for export. The calculated amount of foreign exchange and the most urgent requirement within Germany of 12 million marks only applies under the condition that there are until the end of September still 2 million marks in cash foreign exchange available.

One can count for the requirement of the Armed Forces on an amount of 10 000 tons raw wool, based on existing agreement. 4 million marks in cash foreign exchange are required for the additional amount of 2 150 tons with the price basis of 3 000 marks per ton.

Intendanturiet Hierhoff explained; that a decrease of the demands for quality for the Armed Forces is no longer bearable. Already 9% cellulose wool is being earmarked for uniform cloths, and a marking of 20% scrap wool for overcoats.

The amount of foreign exchange of 4 million marks for quality cotton

(page 24 of original, cont'd.)

is therefore necessary, because one cannot count any more on the hitherto existing compensating transactions--especially with Egypt after circular 237.

The amount of foreign exchange estimated for export of 17 million marks for the supervisory board for best fibres is distributed as follows:

|  |
|--|
| 10 million marks for jute              |
| 6       "       "       "       Sisal  |
| 1       "       "       "       Manila |

The production of hides in Germany is reported as 140 000 tons per year. Even with the basis that the consumption of leather within Germany is decreased to a minimum, the 22 500 ton hides, corresponding to 11 200 tons leather for the Armed Forces, can only be procured with cash foreign exchange (22,5 million marks).

The raw hide requirement has determined individually with consideration for the time required to tan the individual types of leather.

(page 25 of original)

(in pencil)

Top Secret!

Conference at General Field Marshal Goering's  
at 1000, 14 Oct 38, in the Reich Air Ministry

(in pencil): attention H. G.

General Field Marshal Goering opened the session by declaring that he intended to give directives about the work for the next months. Everybody knows from the press what the world situation looks like and therefore the Fuehrer has issued an order to him to carry out a gigantic program compared to which previous achievements are insignificant. There are difficulties in the way which he will overcome with utmost energy and ruthlessness.

The amount of foreign exchange has completely dwindled on account of the preparation for the Czech Enterprise and this makes it necessary that it should be strongly increased immediately. Furthermore, the foreign credits have been greatly overdrawn and thus the strongest export activity - stronger than up to now - is in the foreground. For the next weeks an increased export was first priority in order to improve the foreign exchange situation. The Reich Ministry for Economy should make a plan raising the export activity by pushing aside the current difficulties which prevent export.

These gains made through the export are to be used for increased armament. The armament should not be curtailed by the export activity. He received the order from the Fuehrer to increase the armament to an abnormal extent, the air force having first priority. Within the shortest time the air force is to be increased five fold, also the navy should be armed more rapidly and the army should procure large amounts of offensive weapons at a faster rate, particularly heavy artillery pieces and heavy tanks. Along with this manufactured armaments must go; especially fuel, powder and explosives are moved into the foreground. It should be coupled with the accelerated construction of highways, canals, and particularly of the railroads.

To this comes the Four Years' Plan which is to be reorganized according to 2 points of view.

In the Four Years' Plan in 1st place all the constructions which are in the service of armament are to be promoted and in 2nd place all the installations are to be created which really spare foreign exchange.

The substitutes produced by the Four Years' Plan are to be brought rapidly into circulation. The Reich Ministry for Economy and the other agencies should make



(page 25 of original cont'd)

suggestions by the beginning of November for rapidly increasing the introduction of the substitutes. The import of materials for which we have substitutes has to be drastically curtailed.

General Field Marshal Goering enlarged then upon the main problem of the session: how can these requirements be fulfilled.

He is faced with unheard difficulties. The treasury is empty, the industrial capacity is crammed with orders for many years. In spite of these difficulties he is going to change the situation under all circumstances. Memoranda were of no help, he desires only positive proposals. If necessary, he is going to convert the economy with brutal methods in order to achieve this aim. The time has come when private enterprise can show whether it has a right for continued existence. If it fails, he is going over to state enterprise without any regard. He is going to make barbaric use of his plenipotentiary power, which was given to him by the Fuehrer.

All the wishes and plans of the state, party and other agencies who are not entirely in this line have to be rejected without pity. Also the ideological problems cannot be solved now, there will be time for them later. He urgently cautions against making promises to the workers which can not be kept by him. The wishes of the labor front come entirely into the background. The industry has to be fully converted. An immediate investigation of all productive plants is to be initiated in order to determine whether they can be converted for armament and export or whether they are to be closed down. The problem of the machine industry has the first consideration in this respect. There is no place for printing and laundry machines and other machines of that kind, they all have to produce machine tools. In the field of machine tools the priorities of the orders are to be investigated, and wherever possible, increase in productive capacity is to be introduced. It follows without saying that work has to be conducted in 3 shifts.

It remains now to decide who is going to carry out this task; the state or the self-administrative industry. He requested a proposal from General Director Zangen for the methods to realize these plans. He warns all agencies, particularly the labor front, price controller etc. from interfering with these proposals in any way. He is going to proceed ruthlessly against every interference on the part of the Labor Front. The Labor Front would not receive raw materials and workers for its tasks any more. Similarly all other party requirements have to be set aside without consideration. Foreign workers can continue being employed except in the particularly secret sections of the enterprise. At the present time the plants should not be burdened with unnecessary demands, such as athletic fields, casinos or similar desires of the labor front. Measures proposed by the Labor Front have to be submitted to him for approval.

(page 26 of the original cont'd)

New materials and power are to be subjected to accurate management. Similarly the distribution of men has to be organized in an entirely different way than it has been done until now. The retraining did not function; all agencies failed. The recommitment of the youth into the industry will be organized by him on a very large scale. Large state apprenticeships are to be created; beside, the plants will be obliged to hire a certain number of apprentices. A retraining of hundreds of thousands of people will have to take place. Much more work will have to be performed by women than until now. Above all, the young women have to be employed much more. Work periods of eight hours do not exist any more; wherever necessary, overtime is to be performed, double and triple shifts are a matter of course. Where the workers will protest, as in Austria for example, General Field Marshal Goering will proceed with forced labor; he will create camps for forced labor. The Labor Front should not carry false social ideas among the workers. It is a fact that one generation has driven the cart into the mud through the mutiny of the workers and by being guilty of not having shot these workers on the spot. Therefore we had to put the thing in order again.

Much is to be done at once in the field of transportation. The Ministry for Transportation should submit a request about the construction of rolling stock and about other requirements. The branch-canal near the Herman Goering Works is particularly important. It cannot continue that the Armed Forces interfere with the car park. If that will continue, he will make a decision, because it is impossible that the people should starve on account of it.

In the agriculture it is of importance to employ foreign workers. Similarly the problem of the agricultural machine has to be promoted. Of particular importance is the erection of storehouses.

The Sudeten Land has to be exploited with all the means. General Field Marshal Goering counts upon a complete industrial assimilation of the Slovakia, Czech and Slovakia would become German dominions. Everything possible must be taken out. The Oder Danube Canal has to be speeded up. Searches for oil and ore have to be conducted in Slovakia, notably by State Secretary Keppler.

In the 2nd part of his discussion General Field Marshal Goering took up the Jewish problem. The Jewish problem had to be tackled now with all methods, because they have to get out of the economy. However, the wild bustle of commissars as it developed in Austria has to be prevented under all circumstances. These wild actions have to cease and the settling of the Jewish problem should not be regarded as a system of providing for inefficient party members. Thereupon Ministry Councillor Fischboeck was allowed to speak. He revealed that in the beginning there 25 000 commissars in Austria. Today there are still 3 500 who are useless almost without exception. In Austria the

(page 26 of original cont'd)

party is of the opinion that Aryanization is a duty of the party and that it is connected with the recompensation of the old party members.

In Austria there is still a total of 2 billions of Jewish property. The large enterprises are being bought up by the Control Bank; it is difficult to oust the Jews from the small industrial enterprises.

(page 27 of the original)

General Field Marshal Goering took a strong stand against the opinion that the Aryanization is the duty of the party. It is the duty of the State alone. However, he could not release foreign exchange for shipping away the Jews. In an emergency situation ghettos should be erected in the individual large cities.

State Councillor Schmeer cautioned against more lenient methods in the fight against the Jews; Jewish labor units should be established, then the people would emigrate of their own accord. State Councillor Neumann warned and expressed the opinion that one should use more precaution in this matter, particularly in Austria.

Thereupon the meeting was quite surprisingly closed by General Field Marshal Goering without giving everyone wishing to speak an opportunity to do so and without making decisions.

HG

## EFRAIUM

The last paragraph of page 27 of Document 1301-PS is hereby corrected to read as follows:

"Thereupon the meeting was quite surprisingly closed by Field Marshal Goering without giving everyone wishing to speak an opportunity to do so (one dass die Wortmeldung erfuehlt .... wurde) and without making decisions."

This correction is made by WILLARD W. SKIDMORE, Lt. (jg)  
USNR, 391590.



( page 28 of original)

Material  
 for the Conference with Goering  
 on 25 Nov. 1938  
 (General Keitel, Brig.Gen. Thomas)

Wild

27 Oct 1938

For the consideration of the assignment of tasks to people, state and the Armed Forces, judging of the requirements of raw materials, especially steel, appears necessary.

This is shown as follows, as it can be judged from here. The inclosed summary shows that one must count, according to the Fuehrer's directives, on a steel requirement for armament production, which amounts to

1.08 million tons monthly from 1 Jan 1939 on, that is, it must be increased by about 48% of the present contingent. Added to this requirement are the increased demands of the Four Years' Plan, the demands of export and the amount necessary for the upkeep of the production machine of German economy in the amount of

1.83 million tons monthly from 1 Jan 1939 on; thus this results in a total requirement of

2.9 million tons monthly from 1 Jan 1939 on, against which there is only a monthly production of at present 1.8 million tons monthly.

Furthermore, it must be pointed out, that with the increased use of steel, an increased use of the already scarce nonferrous metals is necessarily coupled; the latter also are closely associated with the procurement of foreign exchange.

The increased rearmament of the armed forces must further effect deeply the supply requirements of the armed forces, especially munitions and fuels. Therefore, it must be expected that the future requirements of the armed forces will exceed the present plans ( accelerated program for powder and explosives, fuel program), which will have an increase of the steel requirements not yet planned as result.

Secret

Summary  
 of the Iron and Steel Requirement of the Armed  
 Forces and Industry tons per month

|   | Contingent<br>of the IVth<br>quarter 1938 | Contingent<br>of the Ist<br>quarter 1939 | Requirement<br>from 1 Jan<br>1939 on | Contrast<br>to the<br>contingent<br>of 1st quar-<br>ter 1939 |
|---|---|--|--------------------------------------|--|
| I. Armed Force  | 584 333                                   | 573 133                                  | 108 300                              | 515 167  |
| II. War economical<br>organization of<br>German Industry                            | 306 600                                   | 306 600                                  | 13 500                               | 306 900  |
| III. Export on case<br>it is possible to<br>reach the stage of<br>beginning of 1938 | 380 000                                   | 380 000                                  | 550 000                              | 170 000  |

180



TRANSLATION OF DOCUMENT 1501-23  
CONT'D

(page 28 of original cont'd)

| Contin,ent<br>of the IVth<br>quarter<br>1938                         | Contin,ent<br>of the 1st<br>quarter<br>1939 | Requirement<br>from 1 Jan<br>1939 on | in contrast to<br>the contin,ent of<br>1st quarter 1939 |
|--|---|--------------------------------------|---|
| IV. Upkeep of<br>the production<br>machine of the<br>German Industry | 582 800                                     | 582 800                              | 582 800 -   |
| Other re-<br>quirements  | 83 500                                      | 83 500                               | 83 500 -  |
| Total  | 1937 233                                    | 1926 075                             | 2918 100 990  |

(page 29 of original)

Summary

on the iron and steel requirement of the  
Armed Forces tons per months

| Contin,ent<br>of the IV th.<br>quarter 1938   | Contin,ent<br>of the 1st<br>quarter 1939 | Requirement<br>from 1 Jan<br>1939 on | in contrast to<br>the contin,ent<br>of 1st quarter 1939 |
|---|--|--------------------------------------|---|
| Army 3,0367<br>(for fortifi-<br>cations) (86 557)   | 266000<br>(85000)                        | 525000<br>(155000)                   | -259000<br>(-80000)                                     |
| Navv 78 000<br>(for "Kriegs-<br>wiese") ( - )   | 74000<br>( - )                           | 140500<br>(55000)                    | -66500<br>(-55 00)                                      |
| Air Force 166400<br>(for fortifi-<br>cations) (15 333)  | 191 133<br>(15000)                       | 247300<br>(15000)                    | -56187<br>( - )   |
| Reich communi-<br>cation measures<br>(RV-assessment)<br>(for increased<br>extension of<br>the Reich rail<br>road) ( - ) | 39556<br>42000<br>( - )                  | 173300<br>15000                      | 133500<br>(150000)                                      |
| Armed Forces<br>Total   | 584 333                                  | 968 300                              | 515 157   |

PAGE 30

Chief OKW  
58a 40 38 top secret  
1157/38 top secret

Top Secret

7 Dec. 1938

7 copies  
7th copy

(in pencil)  
To the State Secretary Neumann  
Received Copy without receipt

K. 12 Dec. 38

Documents for the conference at Field Marshal  
Goering's on 13 Dec. 1938 with Supreme  
Commanders General Keitel, Neumann  
Koerner, Gen. Thomas.

To  
the Supreme Commander of the Army )  
the Supreme Commander of the Navy ) one  
the Reichs Marshal of the Air Force and ) copy each  
Supreme Commander of the Air Force )

The Fuehrer and Supreme Commander of the Armed Forces  
authorized me to inform the Supreme Commander of the following:

The strained financial situation of the Reich make it  
necessary that for the rest of the current fiscal year 38/39  
the expense of the Armed Forces, which in the last months  
under the strain of extraordinary circumstances have under-  
gone a very considerable increase, should be lowered again  
to a level which would be tolerable for some time.  
It will be at the discretion of the Supreme Commander to  
decide what measures should be taken for this purpose accor-  
ding to the priorities in the armament program. According to  
the Fuehrer's request

ARMY { the equipping with arms will have first priority, the  
providing of ammunition and the building of fortifi-  
cations for the army will be considered in second place  
only.

NAVY { the building of ships, of ports and docks have first  
priority over all other requirements, also over that of  
providing ammunition.

AIR FORCE { the equipping with arms will have first priority, the  
providing of ammunition will have to be considered in  
second place only.

If necessary, the initiation of new enterprises will  
have to be delayed, the execution of current enterprises and  
orders will have to be distributed over a longer period of  
time. The allotted quota of raw materials which will be decre-  
ased starting 1 Jan 39, will also compel us to a certain  
extent to do this. It has to be achieved that

in the Army  
in the Navy  
in the Air Force

during the period from 1 November 1938 to 31 March 1939 (end  
of the fiscal year) not more than

PAGE 30 continued

(Army): 3.7 billion RM  
(used until now 4.9)

(Navy): 650 million RM

(Air Force): 2.5 billion RM

should be expended in the form of cash and delivery treasury scrips.

It is not yet definitively established how much can be allotted for the next fiscal year 1939/40 in the form of cash and delivery scrips. At present, the branches of the Armed Forces cannot expect greater quotas than the following:

5.2 billion RM for the Army  
1.4 " " for the Navy  
4.9 " " for the Air Force

signed Koitel

APPENDIX TO FILE # 1301-PS

The thirteen documents discussed in detail give a conclusive picture of the close collaboration of the various Reich Government Agencies toward one final goal: AGGRESSIVE WAR.

In Document #1, Top Secret, Schacht admits without any inhibition that armament is the objective of German politics. And that on 3 May 1935! He points out the difficulties involved in the financing of this gigantic enterprise, which are enhanced by the necessity of keeping the preparations for war a secret, both from the world and the German public.

On 9 March 1936 the War Ministry, General Blomberg and Thomas, depict in document #2 the planned gearing of the civilian motorization to war. Already at that time, the civilian economy - fuel, oil, industry and the large imports - been put deliberately to the Wehrmacht carriage.

In the minutes (document #4 of the Minister's meeting of 12 May 1936, which was attended by Goering, von Blomberg, Dr. Schacht, Count Schwerin von Krosigk and Prof. Dr. Popitz, no fewer than four Reich Government Agencies prepare for war. The Reichsbank, the Ministries for War, Economy and Finance join hands with the Prussian Minister for Finance and the minutes are taken down by Lt. Col. Loeb of the General Staff. The Reichsbank (Schacht), has executed as the Fuehrer's faithful servant the mission to accelerate the armament program from the financial angle. Eleven billion marks have been procured on the sly, outside the budget, for armament. The master of sleights, Schacht, is still throwing sand into the eyes of the world.

And in the same minutes, on page 5, Schacht compares the raw material balance of Germany at the "Kriegsbeginn" (the start of the war) and now. NOTE: The term "Kriegsbeginn" refers probably to world war 1914 - 1918. A very logical comparison basis between the world war and the coming war.

The same men who convened on 12 May 1936 met again on 27 May 1936. Again General Staff kept the minutes, document #6. Plans to prepare for mobilization pondered about. Vital raw materials must be stored for war. Unconformable plants to produce substitutes must be kept in readiness. Goering wants all measures weighed from one point of view only; the conduct of the war must be safely possible. For this aggressive war work, the brains of Schacht, Popitz, subsidies and Krosigk discusses the pros and cons of substitute production. All participants agree that the fuel oil problem must be tackled first. To gain China's economic help is Blomberg's idea. Schacht always had hopes in this respect, and has supported certain attempts in China. Goering hopes to induce China and Japan to turn jointly against Russia. Blomberg wants to use the "Kaiser Wilhelm Gesellschaft" as an agent. He mentions that the War Ministry and the mentioned society have collaborated successfully before. The industrial tycoon Bosch is proposed by Popitz to head the society. Then Goering and Schacht discuss further preparations for war in foreign countries.



APPENDIX TO FILE # 1301-PS (CONT'D)

In document #7, of 31 August 1936, the close interrelationship of the Reichsbank, the Ministries of War, Economy, Finances, Air Force and the Ministry of War recorded again. The excessive demand of funds is discussed. The Rhineland is being fortified. Thirty-six Division must be ready by 1 October 1936. Heligoland is being fortified. The navy arms with speed. The Fuehrer has ordered all formation of the Air Force ready by 1 April 1937. The financing from depleted money chests-difficult.

Appendix to File # 1301-PS

Schacht is nervous according to document #8 of 2 September 1936. Clumsy Hitler is apt to destroy his deception of the world. Hitler wants to tell the world on the coming Riche Partei Tag that Germany is on the verge of becoming autonomous. He telephones the War Ministry and asks General Thomas "Stop Hitler". We need the world. Export alone makes armament possible. Don't waken these gullible foreigners too soon. We have not enough raw materials yet to outlive to period of transition."

On the 5th of September 1936, representatives of the Ministries of Economy, War and Air Force met with heads of the Aluminum Industry. Their deliberations were taken down in document #9. Foreign currency demands for armament are discuss. The demands of the Wehrmacht as to leather and textiles are specified. The gentlemen of the Aluminum Industry account to the Wehrmacht. They are attempting to obtain Aluminum from Switzerland and Canada. The Ministry for Economy promises to help in the Wehrmacht should not receive all the material desired. War Ministry, Air Force and Ministry of Economy prepare for war with the collaboration of indue.

A conference takes place in Goering's Ministry of the Air Force on 14 October 1938. Document #10. Two years have passed. The sudetenland has been occupied. Eternal peace has been promised by Hitler in Munich. Goering was present in Munich. On the 14th of October, 1938, he demands in the conference: intensified export, to obtain more foreign funds, to increase the armament - to the gigantic dimension the Fuehrer has ordered. The Air Force alone has to be quintupled as fast as possible. All phases which are essential to warfare have to be speeded up. The Ministries of Finance and Economy are requested to make pertinent proposals. The entire industry has to be converted to war production. A plan is requested from the industrial magnate General Director Zangen to put industry into war gears. Raw material, energy, labor are to be controlled. Woman labor is to be stepped up. Unrilling workers may work in Forced Labor Camps. The communication network has to be built up. Foreign (still hired) workers should replace Germans in agriculture. The newly liberated German Sudetenland has to be exploited to the last drop. The Czechs and Slovaks are already annexed as German dominions in thoughts. The Jews must be peedily removed from all economic life. Ghettos could be created - That! Goering on 14 October 1938 - one month after Munich - one month before the program against Jews in the night from the 9th to the 10th of November, 1938.

The Generals, Keitel and Thomas, computed busily the requirements of the Wehrmacht in iron and steel on 27 October 1938. They prepared their notes, document for a meeting with Goering on 25 November 1938. The accompanying charts speak "war". Starting 1 January 1939 the Wehrmacht used 48% more iron and steel. Armament is to be stepped up again.

The Reich Finances feel the strain of the armament expenditures. Something must be done about it. Through Keitel, the Fuehrer orders the Commanders-in-Chief of the Armed Forces, Air Force and Navy to earmark with the highest priority aggressive devices of warfare. Forget for the time being the defensive phase of warfare. On the 7th of December, 1938, when Keitel submitted the Fuehrer's order on document #12, Hitler must have felt pretty confident to set the defensive aspect on war aside.

Appendix to File #1301-PS

The last document, #13, a letter from General Thomas to Goering of 1 March 1939, ties in with the armament program. Non-iron metals and steel are requested from all branches of the Wehrmacht; particularly from the Navy. What does Goering want him to do? It is the 1st of March, 1939!

Corporal Landmann  
eri

Appendix to File #1301-P8



case 6  
after Doc. PS-1301  
Doc. Bk. 26 (6)

TRANSLATION OF DOCUMENT No. NI-7836  
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES

The Reich Minister of Aviation.

LD I 1 D No. 5405/36 g

(Please quote above reference,  
date, and summary of contents  
in reply)

Berlin W 8, 14 September 1936

Leipzigerstr. 7.

Tel. A 2 Flora 0047

Telegraphic address: Reichsluft  
Berlin

S e c r e t

To  
the Reich Minister for War (Military Economic Staff)  
attention of Kapitaenleutnant RIEVE

B e r l i n W 35,

-----  
Bendlerstr. 27

(Stamp: ) W Economy  
18 September 1936  
No. 8976/36 g

Attached please find a certified copy of the Contract with  
Ammoniakwerk Merseburg G.m.b.H. for information. To be filed.

By order

signed v. HEINZ

Certified :

(signature): GUETZLAFF

Administrative Officer (Verwaltungsamtman)

TRANSLATION OF DOCUMENT No. PI-7836  
CONTINUED

(page 2 of original)

Certified Copy

Contract

between

the German Reich represented by the Reich Minister of Aviation (Reich)

and the

Ammoniakwerk Merseburg G.m.b.H. (Ammoniakwerk)

on the construction of plants for the production of

aviation spirit.

Article 1

The Ammoniakwerk undertakes to construct and maintain at Leuna sufficient additional factory installations to attain a current production of 200 000 tons aviation spirit per annum. Ammoniakwerk undertakes to have the plants ready for operation by 1 August 1936 provided supplier firms deliver on time.

The Ammoniakwerk undertakes to produce in this plant up to 200 000 tons of aviation spirit per annum from 1937 to 1944 inclusively on orders of the Reich Minister for War and the Supreme Commander of the Wehrmacht, sufficient notice having been given.

The Ammoniakwerk undertakes to keep additional factory installations now constructed fully operational from 31 December 1944 to 31 December 1950 for further production of aviation spirit if and when hydrogenation is being carried out by the Ammoniakwerk at Leuna. Production capacity shall not be altered, nor shall the plants mentioned above be sold in toto or in part without first seeking the permission of the Reich.

(page 3 of original)

The Ammoniakwerk undertakes to produce and deliver in 1936 up to 80 000 tons of aviation spirit for the Reich or for a company nominated by the Reich.

Article 2.

The Ammoniakwerk undertakes not to sell aviation spirit to third parties without Reich permission. Should other German manufacturers be in a position to deliver aviation spirit to third parties, the Reich shall give permission for delivery of aviation spirit of equal quality to third parties to the Ammoniakwerk also. Should the Reich

(page 3 of original cont'd)

authorize such deliveries to a limited number of firms only, the Reich shall give permission to the Ammoniakwerk for direct deliveries to those third parties.

Should the Reich desire German Aviation spirit requirements to be met directly or indirectly completely or in part by German manufacturers of synthetic gasoline for specific purposes, the Ammoniakwerk shall have the right to participate in deliveries likewise according to the proportion of the percentage of its own production capacity as defined in paragraph 1 Article I, to the production capacity of the other German manufacturers called upon to make such deliveries; stand-by plants not in operation shall not be considered as normal production facilities.

Article 3.

The Ammoniakwerk shall submit proof of expenses incurred in the course of building construction in accordance with Article 1 by means of their books. The Reich undertakes to pay to the Ammoniakwerk from 1936 to 1944 incl. the sum required to reduce the total amount of expenditure by 11.11 % annually provided the total does not exceed RM 3.265 millions.

(page 4 of original)

Amortisation to start on the date of completion of plant, but not before 1 August 1936; 7/12 of the amortisation instalment for 1936 which Ammoniakwerk will not accordingly receive in 1936 shall be paid by the Reich when paying amortisation instalment for 1944. The Reich undertakes furthermore to pay to the Ammoniakwerk from 1936 to 1944 the sum amounting to 5% interest per annum on the book value of those expenses at the time; in view of the fact that money for expenses incurred by the enlargement in 1936 will only have to be raised by degrees, only 3/4 of total expenditure shall bear interest of 5% in 1936.

Payment to be made in quarterly instalments at the end of the quarter starting on 1 July 1936. Amortisation for 1936 to be paid in two instalments, on 1 October and 31 December 1936 respectively.

Article 4.

The Ammoniakwerk undertakes to provide at its own expense the additional catalyst required for the production of 200,000 tons of aviation spirit per annum and to keep it operational until 1944 incl. The Ammoniakwerk shall submit proof of expenses incurred in connection therewith by means of their books. The Reich undertakes to pay to the Ammoniakwerk from 1936 to 1944 incl. the sum amounting to 5% interest on those expenses provided they do not exceed a total of RM 800,000.--. Should the catalyst be put into operation either as a whole or in part, the amount on which interest is to be paid shall be decreased corresponding with the sections put into operation.

(page 4 of original cont'd)

Should a new catalyst be found in future and be set up by the Ammoniakwerk in accordance with article 5 of this contract,

(page 5 of original)

the Reich shall reimburse the Ammoniakwerk for losses incurred owing to devaluation of the old catalyst.

Article 5.

The Ammoniakwerk undertakes to take into consideration any changes in the process or technical apparatus for the production of aviation spirit which might occur between 1936 and 1944, in so far as these improvements are accessible to the Ammoniakwerk and their execution could reasonably be expected of the Ammoniakwerk in the circumstances. The Reich undertakes to refund additional expenses incurred with the consent of the Reich up to 1944 incl. at the rate of 11.11 % per annum and to pay interest of 5% per annum on the book value for the year in question.

Article 6.

All breakdowns, as well as their termination, shall be reported to the Reich, giving prospective duration.

Article 7.

The Reich shall have the right to examine in detail the difference between estimates and actual cost of additional factory installations erected in accordance with Article 1 and the catalyst provided in accordance with Article 4. Ammoniakwerk to submit relevant documents (plans, estimates) to the Reich.

Article 8.

The competent Court for controversies arising from this contract regardless of the value of the object at dispute, shall be the County Court Berlin, unless an arbitration court should be competent in accordance with the separate arbitration contract attached hereto.

(page 6 of original)

The parties shall immediately upon commencement of proceedings make application for the exclusion of the public and for the imposition of the obligation of silence upon the litigants in accordance with articles 172 and 174 of the code of court procedure (GVC) and also for safe keeping.



(page 6 of original cont'd)

Article 9.

Costs and stamp duties for this contract shall be borne by the Reich. The Reich claims exemption from taxes, dues and costs in accordance with the provisions of the law.

Berlin, 10 June 1936

Reich Minister of Aviation:

(signed:) KESSELRING (deputy)

Ammoniakwerk Merseburg G.m.b.H.:

(signed:) BUETEFISCH (signed:) p.p. FISCHER

(page 7 of original)

Appendix to Contract 1.

Arbitration contract.

between the

Deutsche Reich, represented by the Reich Minister of Aviation  
(Reich)

and the

Ammoniakwerk Merseburg G.m.b.H. (Ammoniakwerk).

Article 1.

The competence of a court of arbitration for all disputes coming under civil law between the Reich and the Ammoniakwerk arising out of the contract dated..... shall be determined in accordance with the following provisions.

Article 2.

The court of arbitration shall be composed of a chairman and two assessors. The chairman of the materials control board (Material-pruefungsamt) shall be asked to act as chairman of the court of arbitration. The Reich and the Ammoniakwerk shall nominate an assessor each. Assessors shall be nominated in accordance with articles 1029 to 1032 of civil court procedure regulations (ZPO), substituting for "court" "chairman of the materials control board".

TRANSLATION OF DOCUMENT No. NI-7836  
CONTINUED

(page 7 of original cont'd)

Article 3.

Decisions of the arbitrators shall not exceed the limits of demands made by the litigants; they shall not in any circumstances award damages or fines which have not been demanded by the parties.

(page 8 of original)

Article 4.

Counter charges and cross pleas (Aufrechnung) shall be permitted only if the court of arbitration is competent in accordance with the arbitration clause to give a verdict on the counter claim made in connection with the counter charge or cross plea.

Article 5.

Costs for representation through plenipotentiaries where applicable to be borne in any circumstances by the party so represented.

Article 6.

Arbitrators shall award damages in accordance with the principles of articles 91 seq civil court procedure regulations.

((signed:)) B. F. L.

Reference No. 1433. This is to certify that the above is a true copy of the document submitted to me as the original.

Ludwigshafen/Rhine, 17 August 1936

Notary's office

(signature:) Dr. STEIGER (?)  
Notary

(Stamp of notary's office)

TRANSLATION OF DOCUMENT No. NI-7836  
CONTINUED

(page 9 of original)

Calculation of expenses.

(Article 154 of cost regulations of 25 November 1935)

No. .... of annual List

Value.....RM

Dues articles 144, 16, 49 .....RM 2.--

Additional dues articles 52,53,153 (Stamp: document, fee:RM 3.--)

Typing fee articles 138, 152

Stamps articles 139,152

Stamp duty

Document fee

RM 3.--

Total

RM 5.--

Cancelled document fee set at the value of RM 3.--

Ludwigshafen/Rhine 18 August 1936

Notary

(signature:)

Dr. STEIGT (?)

CERTIFICATE OF TRANSLATION

31 July 1947

I, Leonard LAWRENCE Civ. No. 20 138, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of the document No. NI-7836.

.....  
Leonard LAWRENCE  
Civ. No. 20 138

AL NO

MIL  
C<sub>2</sub>

Prosecution Document Book No. XXV //

English





# INDEX

TO

## DOCUMENT BOOK XXVII

### COUNT - ID FARBEN PARTICIPATED IN CREATING AND EQUIPPING THE NAZI MILITARY MACHINE FOR AGGRESSIVE WAR

| Exhibit No. | Document No.                                    | Description of Document  | Page No. |
|-------------|---|--|----------|
| NI-6767     | (Already in evidence in Book III as Exhibit 30) | Interrogation of defendant Krauch concerning the development of the production of synthetic gasoline.  | Pg.No.1  |
| NI-6524     | (Already in evidence in Book I as Exhibit 13.   | Affidavit by the defendant Krauch stating that Farben processes accounted for nearly all German gasoline production.   | Pg.No.13 |
| NI-8327     | (Already in evidence in Book V Exhibit 96       | Speech by Dr.Struss on Four Year Plan delivered 13 May 1938.   | Pg.No.22 |
| NI-5909     |   | Minutes of the meeting of the technical management on 12 October 1936, where the defendants Lautenschlaeger and Jaehne were present, and where the question of procuring gasoline and rubber were described as the most important tasks of I.G. within the Four Year Plan. | Pg.No.51 |
| NI-8200     |   | Minutes of the 43rd meeting of the Aufsichtsrat of I.G.of 17 October 1936, where the defendant Schmitz stressed the great tasks of I.G. with regard to raw materials as announced by the Fuehrer in Nuernberg.   | Pg.No.52 |
| NI-6627     |   | Excerpt from Adolf Hitler's speech 1937, printed in the "Four Year Plan", March 1937, No.3, Page 129, stating that in two or three years hence Germany will be free of requirements of fuel and rubber from abroad.  | Pg.No.54 |
| NI-8328     |   | Affidavit by Ernst Struss identifying a speech on buna which he drew up for Prof. Seick.   | Pg.No.56 |



| Exhibit<br>No. | Document<br>No. | Description of Document  | Page No.  |
|----------------|-----------------|--|-----------|
|                | NI-9513         | Affidavit by Dr. Werner Hager (formerly Reichsstelle Chemie) on Farben's share in the Four year mineral oil plan expansion for LOB purposes.   | Pg.No.88  |
|                | NI-6708         | Publication by Major General Fritz Loeb in the "Four Year Plan", 1938, Page 68, outlining as the great goal for the expansion of the German motor fuel supply, the need to meet the vital motor fuel, fuel oil and lubricant requirements of German industry out of German raw material sources. The article describes I.G. high pressure methods and brings pictures of I.G. gasoline plants. | Pg.No.91  |
|                | NI-7822         | Contract between I.G. and WIPO regarding building of plant for tetraethyllead, dated 7 June 1938.  | Pg.No.114 |
|                | NI-7127         | Letter from High Command of the Armed Forces to Ministry of Economics regarding tetraethyllead production, dated 20 October 1939.  | Pg.No.119 |
|                | NI-7138         | Files of the Reichsstelle fuer Wirtschaftsausbau, Chief Armaments Economic Office. Top secret memorandum for oral report. It refers to the defendant Krauch's mineral oil plan and states that "mineral oil is just as important for modern warfare as aircraft, tanks, ships, arms and munitions", dated 10 January 1939.   | Pg.No.121 |
|                | NI-7471         | Files of the Feldwirtschaftsamt "New Military Economic Production Plan", dated 12 July 1938, being a compilation of the Krauch plan as prepared by Krauch.   | Pg.No.126 |
|                | NI-6237         | Excerpts from book by Anton Zischka "Science Breaks Monopoly", stating that from the small ammonia factories in Oppau, where the Haber Bosch method was first turned to account industrially in 1914, the giant factories of I.G. Farben grew up.  | Pg.No.129 |

| Exhibit<br>No. | Document<br>No.     | Description of Document  | Page in:   |
|----------------|---------------------|--|------------|
|                | NI-6237<br>(cont'd) | Furthermore that by 1936 buna tires proved themselves far superior to tires produced from natural rubber. Finally that on the basis of the I.G. Farben hydrogenation experiment the Leuna Works in Merseburg were set up for the production of synthetic petrol. | Pg.No. 129 |
|                | NI-6630             | Publication by H. Koppenberg in the "Four Year Plan", 1937, No. 5, Page 271, describing production of mineral oil from coal and the high pressure hydrogenation method developed by I.G. Article also includes pictures of the I.G. process.                     | Pg.No. 137 |
|                | NI-7373             | Excerpt from the book "Wer Leitet", Page 518, positions held by H. Koppenberg.   | Pg.No. 152 |
|                | NI-8314             | Affidavit by Struss on I.G.'s production of synthetic gasoline and lubricating oil.  | Pg.No. 154 |
|                | NI-8318             | Affidavit by Ernst Struss on the indispensability of I.G.'s synthetic gasoline for conducting war.   | Pg.No. 157 |
|                | EC-186              | Memorandum from Keitel, Chief of Supreme Command of Wehrmacht, dated 12 June 1942, re prohibiting employment of foreigners mineral oil plants, buna plants, and light metal plants.  | Pg.No. 159 |
|                | NI-10507            | Confidential report of March, 1945, re "Petroleum Facilities of Germany", prepared by The Enemy Oil Committee for the Fuels and Lubricants Division, Office of The Quartermaster General.  | Pg.No. 162 |

TRANSLATION OF DOCUMENT No. HI-6767  
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIM

INTERROGATION of Carl KRAUCH, on 16 April 1947  
by Mr. CHARLITZ, in the afternoon.  
Others present: Annelie WIGNER, German Court  
Reporter  
-----

- Q.: You are aware of the fact that you are making your statements under oath, Herr KRAUCH ?
- A.: Yes.
- Q.: First one question: Some time ago I read - I can't quite remember where it was - that BOSCH recommended you to GOERING in 1936.
- A.: I can't say that. In 1942, on the occasion of a meeting of the Aufsichtsrat of the Kontinentale-Oel-Gesellschaft FUNK approached me and told me that VOEGLER at that time had mentioned my name for the first time, naming me as the man who would know about matters of research and would therefore be the right one for the position in the Four Years Plan. BOSCH did not speak with GOERING, I believe.
- Q.: But it is possible that in this indirect way BOSCH did recommend you via VOEGLER.
- A.: VOEGLER was good friends with BOSCH and he knew me too from his various visits at Ludwigshafen, where he was usually shown the laboratories and places of research and at which occasion I had to give a lecture.
- Q.: If I may ask you again: If BOSCH recommended you to GOERING, how could you explain that ?
- A.: There is only an indirect possibility of BOSCH having talked to VOEGLER and my name having been mentioned on that occasion. That's what I conclude from FUNK's remark. May I add that BOSCH was not in the least astonished when I told him about Berlin. He must have known something, but he did not tell me anything.
- Q.: Something else: You told me that you got that call from LOEB at that time, during May. What did you think when that call came ?
- A.: I may have assumed that it was because of benzine, because I had sort of a name in connection with the synthesis of benzine and I concluded that he wanted to ask me some questions concerning its development.



TRANSLATION OF DOCUMENT No. NI-6767  
CONTINUED

(Page 1 of original, cont'd)

- Q.: Did the name of LOEB mean anything at all at that time ?
- A.: Not so much.
- Q.: How could you then assume, that LOEB was going to ask you something in connection with benzine ?
- A.: This was always the usual question when I was called to Berlin during those years.

(Page 2 of original)

- Q.: Was SCHACHT interested in those things at that time, during the first three months of 1936 ?
- A.: Yes, through the Erabag. After all, he was the founder of the Erabag and had called me into the Erabag. He knew BOSCH.
- Q.: You said, to the Ministries.
- A.: The Ministry of Finance, because they had to fix the prices.
- Q.: And who else ?
- A.: The Department of Weapons (Waffenamt), General LIEBE. He was interested whether the benzine would satisfy their requirements.
- Q.: Any other Ministry or state office ?
- A.: I don't think so.
- Q.: Did you ever have anything to do with the Ministry of Air (Luftfahrtministerium), where LOEB was a functionary ?
- A.: Once I was invited by VOEGLER; MILCH was present too.
- Q.: When was that ?
- A.: In 1934/35.
- Q.: Did you personally have a lot to do with MILCH ?
- A.: With regard to these questions. He often approached me personally.

(Page 2 of original, cont'd)

Q.: In connection with the Brabag: what was the impression you and SCHUCHT, too, had of KEPPLER in 1934 ?

A.: I had the feeling that KEPPLER wanted to build up a party economy, a state economy, that he wanted to bring the State into the industry. I was under the impression that he wanted to found a sort of a State concern, in order to build up a new National Socialist economy on a different basis.

Q.: I can't remember very well, but I don't think that KEPPLER, if we should ever talk to him about that, will say that he wanted to build up a State or Party economy. KEPPLER, as you know, was an idealist in a fanatical way. What he wanted first of all, was to develop German raw materials. This was his idea. But I did not have the impression that KEPPLER was a supporter of State economy or of a State economy directed by the Party.

(Page 3 of original)

A.: You will have to consider the situation of the economy at that time. We all were under that impression. It is quite possible to imagine that later on KEPPLER saw this right. But at that time, when theories were still important, he certainly thought that way.

Q.: At that time you were not so much interested in the technical problem, that KEPPLER really wanted to make synthetic raw materials; at that time you were thinking first of all of political and financial economic factors. You mentioned the Ministry of Finance. You know, that with regard to benzine, protective tariffs have always played an important part. How did this whole tariff policy develop ? Can you give me a survey on that ?

A.: The price at which we produced at Leuna, was much higher than the price on the world market.

Q.: Was there a tariff at that time, in 1930 ?

A.: There were some low tariffs.

Q.: In 1930 ?

A.: Yes.

(Page 3 of original, cont'd)

Q.: This was a purely financial tariff ?

A.: Yes.

Q.: Could you give me an approximate idea concerning the imported benzine ?

A.: The way you said it. It is about 10:12, then the costs of production.

Q.: How high were your costs of production at Louisa at that time, in 1930 ?

A.: 40 - 50 Pfennig.

Q.: How high was your sales price ?

A.: 30 - 35 Pfennig.

Q.: What happened after 1930 ? You produced at 40 Pfennig.

A.: We knew that these costs of production were too high. The amount of the entire amortization and interest had to be carried by the small production. At that time we already realized that we would not reach the world market for quite some time.

Q.: What did the Government do to make the synthetic production of benzine possible ?

A.: They increased the tariff.

Q.: When was that ?

(page 4 of original)

A.: 1929 or 1930

Q.: At the time, when you started to produce for the market, did the Government increase to how much?

A.: To 4 Pfennig .

Q.: That did not help you very much.

A.: No, that was not sufficient. Thereupon we submitted more requests.

Q.: To whom?

A.: To the Minister of Finance DIETRICH.

Q.: How did it go on?

A.: Step by step, up to an increase of 10 Pfennig.

Q.: So that the import duty at that time was 12 Pfennig?

A.: Yes.

Q.: When was that?

A.: 1932.

Q.: Was that still the BRUENING-Government, or the PAPEN-Government?

A.: That was the BRUENING-Government.

Q.: What happened then?

A.: Then came the era HITLER - FEDER.

Q.: And what about PAPEN?

A.: You did not talk to PAPEN, DIETRICH did that.

Q.: From when till when did actually nothing happen?

A.: 1932 - 1934 nothing else happened. At that time things were even.

Q.: And in 1934?

A.: The Ministry of Economy requested an increased production. The I.G. refused that, because they were afraid of the risk of an increased production.



(page 4 of original, cont'd)

Q.: What do you mean by that?

A.: It was to be assumed that damages would occur, which would have considerable repercussions, in consequence of which the usual amortization could not be covered.

(page 5 of original)

Q.: Were the I.G. at that time approached to build new works, or to make better use of the existing ones?

A.: Yes, of course, to make better use of the existing ones.

Q.: In what proportion would an increased utilization have been possible?

A.: 100 - 200 000.

Q.: Therefore in the ratio 1:2.  
When were the I.G. approached in this respect?

A.: In summer of 1934.

Q.: What was the reason for this?

A.: A certain Herr LA ROCHE and Professor UHELOHDE asked BUETEFISCH and PIER, whether it would be possible to increase the production.

Q.: Which legitimation did these gentlemen have?

A.: The legitimation from FEDER.

Q.: Were they voluntary collaborators of FEDER?

A.: Yes.

Q.: Did the Ministry of Economy have voluntary collaborators?

A.: They were Party Members.

Q.: Were they working in this office of FEDER's in the Reich directorate (Reichsleitung)?

A.: I don't know that, anyhow, they were close collaborators of FEDER.

Q.: What did SCHMIDT say about that? Who was the originator, FEDER or SCHMIDT?

A.: Probably FEDER.

(page 5 of original, cont'd)

Q.: Then these 2 gentlemen appeared in the I.G.?

A.: I believe, that UBELOHDE knew PIER.

Q.: How did these people get there? UBELOHDE on one hand had purely egoistical interests on the other hand he was the representative of FEDER.

A.: He was looked at as a Party representative.

A.: And what happened then?

Q.: Pretty soon I was asked by BUETEFISCH and PIER, to take part in a conference.

(Page 6 of original)

Q.: And what resulted from this?

A.: We could state, that the UBELOHDE method was not ready yet.

Q.: That was a distilling method?

A.: Yes.

Q.: And what did the gentlemen remark in regard to the method?

A.: FEDEL proposed the mixed price on the basis of a price control. He said, we cannot increase the tariff to an unlimited extent, we cannot keep on increasing the tariff. Therefore let us leave the tariff and guarantee a price as purchasing price to the factory. However, that can only be guaranteed, if the Ministry of Finance has insight into this calculation and on this basis a contract was concluded, which was signed by FEDEL and BOSCH. Subsequently I.G. decided to proceed with the production.

Q.: Now you said, that the tariff was not increased and before, I believe, you said the tariff was increased.

A.: No. It was increased in the period during 1930 - 32.

Q.: Then, not anymore at all?

A.: No.

Q.: You stated, this contract between FEDEL and BOSCH was concluded in 1934. But as far as I know, the so-called gasoline-contract was concluded in December 1933.

A.: I cannot positively say that. The first meeting with FEDEL took place in the Summer of 1933, and this affair was settled in the winter.

Q.: HITLER also was greatly interested in this contract. What do you know about it?

A.: I know nothing about that. I only spoke with FEDEL.

Q.: Didn't FEDEL ever made a remark, this initiative did not stem from him?

A.: They never admitted that.

Q.: Then in November 1932, GATTINAU and BUEYEFISCH went to Munich to see HITLER. Is that not so? What do you know about it?

A.: The winning over of the press was at stake. Strong attacks against synthetic gasoline were made in the press, which probably in some way was guided by the automobile industry, and now utilized all kinds of newspapers, including the "Frankfurter Zeitung".

Q.: Was that such a concentrated attack? I cannot imagine

(Page 7 of original)

the Frankfurter Zeitung echoing the others.

A: Still, that was the case. Of course, they also contributed corresponding editorials.

Q: But what has all this to do with HITLER?

A: The National-Socialist press rose at that time in the same manner, and HITLER had very strongly supported the auto industry, so that attacks resulted from there too, and attention was being drawn to cheap fuels. GATTINAU and BUNTEWISCH discussed that with HITLER and HITLER agreed and then gave directions accordingly to the press.

Q: Why was HITLER consulted right away and not WEISS or ROSENBERG, the editors in chief.

A: It was commonly known, that HITLER managed the whole works. There was absolutism already then.

Q: But he couldn't know of all those attacks from everybody?

A: Still, it was like that. Even the "Voelkische Beobachter" wrote only what was submitted to it and what it represented.

Q: One thing doesn't quite fit in: That the "Voelkische Beobachter" followed the same line as the "Frankfurter Zeitung".

A: But it was like that.

Q: That can be determined historically. Then you stated you had knowledge of it, as soon as GATTINAU and BUNTEWISCH reported to you.

A: They came to me while I was in Berlin and told me.

Q: What was the reason to send those two, and not you?

A: The I.G. did not want any of its prominent people to confer with the National Socialists. I was more or less official.

Q: And wasn't BUNTEWISCH official?

A: No he was not on the Vorstand.

Q: And on the other hand, did BOSCH give the order?

A: I do not believe that BOSCH knew about it.

Q: If BOSCH had definitely not liked HITLER as you say of now 2 people from the I.G. - I emphasize now I.G., because the I.G. always valued its reputation, if two men from my firm go to a man, I don't care for, have a conference there and the danger exists



(Page 8 of original)

it is being published; I would fire those 2 people were I in BOSCH's place. And they also had to count on this. BUEPFISCH and GATTINAU, did not assume such a risk without BOSCH knowing about it.

A: BOSCH finally put up with something then. At the moment, when the gentlemen reported to him, that HITLER gave directives to his press, he was also satisfied. I had that feeling.

Q: In one interrogation you mentioned, and we already talked about it, that the Party program demanded the dissolution of I.G. But nothing was said about it in "Mein Kampf"?

A: No. I cannot confirm that as I never read it completely.

Q: We spoke about the synthetic gasoline program before and you said WEDEL had been the driving power. I asked you then whether HITLER wasn't the initiator, the stronger personality. The reason I asked you was, because BOSCH was with HITLER in March or April and reported to HITLER on the economy. During this conference the entire hydration program was also discussed. I have thought it over why BOSCH did not say that of FUNK.

FUNK was Reich press chief at that time and attended the conference in this capacity, not officially, however. As to FUNK's description this conference between BOSCH and HITLER also revolved about the entire synthetic program.

A: I also thought it over, why BOSCH did not tell me this about FUNK. It is possible, BOSCH regarded FUNK as a sort of recorder of the minutes.

Q: At any rate it is also a fact, that HITLER had the gasoline contract submitted to him.

A: I cannot say that, of course.

Q: Is it known to you, what BOSCH reported to HITLER, beside the general report on the economy?

A: He gave the hydration as an example for an international cooperation, international trade and economic relations.

Q: And what did he say, what did HITLER remark to it?

A: BOSCH felt as if he had spoken to a wall, since HITLER did not react.

Q: What did BOSCH want?

A: BOSCH wanted the assurance, that the economy retained its independence. That was his basis.

Q: But there was no interference into private economy, till at least 1936.

(page 9 of original)

A.: This was feared though.

Q.: Now let's talk purely psychologically. In the course of these discussions in March and April, when all these difficulties already existed and now that HITLER is Chancellor and they had already attempted to protect and nurse along this gasoline process in 1932, BOSCH goes to HITLER to call his attention to it. That is something I do not understand. Perhaps we can talk about it another time. When did BOSCH die?

A.: In May 1940.

Q.: That is when you became a member of the Aufsichtsrat.

A.: Yes, shortly after that I became a member of the Aufsichtsrat.

Q.: Herr KBAUCH, you remember that I saw you here once many months ago. At that time I asked you about the GOERING speech of 14 October 1938. Who was present during this speech?

A.: There were quite a few people present.

Q.: Was the speech held in the Preussenhaus?

A.: No, in the Luftfahrt Ministry.

Q.: Who was present there?

A.: There were at least 50 people. Just by chance I remember the notorious HEYDRICH, HALDER was there too, also men from the Navy and Army.

Q.: What kind of a speech was that? For the industries or for the Ministries?

A.: For the Ministries, there wasn't anybody present from the industry.

Q.: You know that at that time in September the Four Years Plan was started. When did Goering explain and comment on this Four Years Plan anyway?

A.: As far as I know GOERING spoke about the Four Years Plan for the first time during his speech in the Sportpalast.

Q.: Do you know the date?

A.: That must have been in October.

Q.: In October. And his official appointment was being published in the Reich Law Gazette in October, too. What was this speech like?

TRANSLATION OF DOCUMENT No. NI-8767  
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(page 9 of original, cont'd)

A.: All the Ministers were sitting up there, LOEB, of course, was there and then he spoke freely about his program.

Q.: After the Four Years Plan officially became the Four Years Plan, were there

(page 10 of original)

any changes in the internal organization or aims with regard to the economic policy?

A.: I did not have this impression.  
Recently you asked me when I had heard the word Four Years Plan for the first time, I meditated on that. I think this was in LOEB'S office.

Affidavit.

I have carefully read and signed with my own signature each of the 10 pages of this record of my interrogation of 16 April, have made the necessary corrections by hand and initialed them, and I herewith declare under oath that this record is a true statement of my interrogation.

Nuernberg,.....

signature: J. P. CHAMATZ  
(Interrogator)

(signature) Earl KRAUCH

signature: Annelie AIGNER  
(Court Reporter)

CERTIFICATE OF TRANSLATION

23 June 1947

I, E. ROSENBERG, Civ.No. 30 076, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of the document No. NI-8767.

E. ROSENBERG  
Civ.No. 30 076.

AFFIDAVIT

I, Professor Karl KLUGCH, having been duly warned that I will be liable to punishment for making false statements, herewith declare voluntarily and without coercion under oath:

In 1913, the Haber-Bosch process for the production of nitrogen out of air had been adapted for large-scale production by the Badische Anilin- und Sodafabrik. In November 1914, after the outbreak of the World War, the Ministry of War approached BOSCH with the request to change over the production of nitrogen at Oppau, which was destined for fertilizers, to sodium nitrate which was needed for the manufacture of gunpowder. As nobody had any previous experience of large-scale sodium nitrate production, it took about six months until the nitrogen factory at Oppau was able to produce sodium nitrate instead of ammonium sulphate. In the meantime, however, certain quantities of sodium nitrate were being produced on a small scale with the existing platinum apparatus. Then the sodium nitrate process began on a big scale, so that the entire nitrogen production could be changed over to the production of sodium nitrate. At that time, the capacity of Oppau amounted to 20 000 tons of nitrogen, and that corresponds to a quantity of 100 000 tons of sodium nitrate.

Besides the Oppau works, there were also the Kalkstickstoff-Werke in Piesteritz which were producing nitrogen of lime, which could also be transformed into ammonium by a suitable process. Ammonium, treated by a catalytic process, yielded sodium nitrate. The production capacity of Priesteritz amounted to approximately 30 000 to 40 000 tons. Besides that, the coking plants produced approximately 150 000 tons of the so-called cokery-ammonium sulphate. Those were, in 1914, the only three sources for nitrogen compounds, with a total production capacity of approximately 250 000 tons of sodium nitrate.

After the battles fought by sheer weight of metal on the Western Front the end of 1915, the Army's requirements for ammunition raw materials grew considerably; consequently the available quantities of nitrogen were not sufficient any more, and the Ministry of War demanded the enlargement of the Oppau works, the production of which was doubled in the course of one year. Only six months later, in mid 1916, the Ministry of War requested us to erect a factory for production according to the Haber-Bosch process at another site, since still greater

(page 2 of original)

requirements for gunpowder and high explosives were to be expected with the extension of the war. Another reason for this project was the idea of decentralizing these important factories since even then Oppau had been the target of enemy aeroplanes.

BOSCH then chose the Merseburg area as site for this second factory and subsequently, in 1916, the construction of Merseburg-Louna



(page 2 of original, cont'd)

was begun. Leuna was completed within one year and started production in April 1917, at first with a capacity of 100 000 tons. In 1917 the Ministry of War already requested us to increase the production capacity still further. In Leuna itself ammonium only was being produced. The sodium nitrate plants were simultaneously built in Wolfen, Bitterfeld, Hoechst. I.G. erected, at its own expense, the ammonium combustion plants in which sodium nitrate was produced. Later, further suggestions for enlargements were made, so that in the end a production capacity of 1 Million tons of sodium nitrate was reached. Oppau, too, increased its production and finally achieved an output of 500 000 tons of sodium nitrate.

After the end of the war, the entire production of nitric acid was changed over to the manufacture of nitrogen fertilizers. Then, enormous quantities of nitrogen fertilizers were demanded by German farmers who had not received any fertilizers during all the war years. After the war, I.G. decided to acquire a share in the Ammoniak-Werk Merseburg with I.G. Farben money<sup>119</sup> the shares belonging to the Reich were bought back, and consequently the Ammoniak-Werk Merseburg came into I.G.'s possession. Production continued in Oppau as well as in Leuna, so that the total production of both plants reached 4 Million tons of sodium nitrate. Demands from abroad too increased very considerably, and therefore interest in the establishment of their own nitrogen factories also appeared abroad. The need for becoming independent of foreign nitrogen imports for armaments arose in other countries too. It was not to be expected that these newly erected nitrogen plants, which, because of their high depreciation rates, had to work less cheaply than the German ones, would be forced by cut price competition in the nitrogen market to sell out to us, since the countries concerned followed the policy to safeguard their own nitrogen production by immediately imposing protective import duties.

(page 3 of original)

This led to the idea of establishing a World Nitrogen Combine. To this end, the German manufacturers had to be won over first. In Germany new nitrogen factories had come into existence too: Hibernia, owned by the Prussian State, Bergbau in the Ruhr-Chemie Combine, Kaliindustrie in Wintershall. The Kalkstickstoffwerke too had extended their plants in Trostberg and Hardt so that the German production too had increased considerably. All manufacturers of synthetic and cokery-nitrogen were united within the sales combines of the Nitrogen Syndicate. Here, a quota agreement was concluded as to how the production of the German consumers was to be (Translator's note: Error in original. Should read: ... of the German producers...).

After the conclusion of these quota agreements with the German manufacturers, foreign countries were approached. The first were Frenchmen and Englishmen who were quite willing to negotiate so that an agreement with them was reached quickly, since for both countries the home requirements were planned (Translator's note: Error in original, should read: ...the home production ...). Further negotiations took place with Norsk-Hydro at that time (in 1925). During the period

(page 3 of original, cont'd)

of the rapid development of nitrogen production I.G. had had the intention of erecting a nitrogen factory of its own in Norway. The idea of erecting a factory in Norway was conceived and an agreement reached with Norsk-Hydro to have the Haber-Bosch process introduced by the I.G. and thereby to double Norsk-Hydro's production. It was possible to double the 200 000 tons previously produced to 400 000 tons.

Further negotiations on nitrogen with Italy then followed. Italy had developed processes of its own through the Firm Montecatini. Still more negotiations were necessary with Belgium and Holland, countries which had also established their own nitrogen factories. Here, too, a nitrogen combine, called the CIA (Convention Internationale De L'Azote), was finally agreed upon after prolonged negotiations. After the conclusion of this agreement, negotiations were started with regard to Chile-Salpeter. Here, too, agreement was reached, so that the world nitrogen market was consolidated. Export at stable prices was now possible for Germany - and therefore for the I.G. as well. During the years after 1927, German agriculture began to decline very greatly, a development which immediately made itself felt in the figures for fertilizer sales. Whereas previously I.G. had still sold 500 000 tons of nitrogen to German farmers, sales within Germany were reduced to 250 000 tons, so that a great part of the nitrogen production capacity had to be closed down.

(page 4 of original)

In 1923, BOSCH had ordered the development of new processes - since sales reductions could be foreseen even then - in order to set the installations to work on other processes in good time if they became free. At the beginning of 1926 the conversion of Leuna from nitrogen production to hydrogenation of coal was begun. It was planned to have an initial production of 100 000 tons of gasoline per year. Production started, under enormous difficulties, in 1927, and therefore production at full capacity could not be achieved until 1930. Then, in 1933, the Feder-Bosch agreement was concluded which led to an increase of production to 200 000 tons by the use of the appropriate units for high pressure processes and hydrogen production which formerly had been used for nitrogen manufacture. Nitrogen sales had fallen so far as to face us with the question whether Leuna should not be closed down completely and the entire nitrogen needed should be manufactured at Oppau. It had almost been decided to give up Leuna in 1929 or 1930 in face of the enormous difficulties which had, at that time, arisen with regard to the gasoline manufacture. Influential executives of I.G. were at that time of the opinion that it would be the right thing to do to close down the big Leuna works. They were DUISBERG and his followers. They wanted to give up the production of gasoline altogether on this occasion, whereas BOSCH still retained his point of view that work at these plants had to be continued at any price for the sake of fighting unemployment in Germany, the more so as the plants now covered expenditure although they made no profit.

(page 4 of original, cont'd)

In 1934, nitrogen consumption by German agriculture again began to rise after the prices for agricultural products had been stabilized by the German Government. The increase of nitrogen consumption became very considerable when, on GOERING's orders, the nitrogen prices were lowered by 30 % in 1937. This led to an increase of nitrogen consumption by 40 to 50 % during the next year or two. Thus, the effects of the price reduction for nitrogen were balanced. Total nitrogen sales of 1.5 Million tons were expected within Germany at that time if things developed steadily on the same scale.

(page 5 of original)

After 1930, production therefore gradually increased to 100 000 tons but stopped at this figure because there cost price just equalled selling price. The risk of increasing production further could not yet been taken since the technical difficulties of putting a heavy load on the apparatus were not yet solved. Prices could only be kept stable with the help of the Government which introduced an increase of import duties to 10 pfennings, so that world market price plus protective customs duty was equal to cost price plus interests on invested capital and depreciation.

As the Government, through FSIER, requested us to increase production in Leuna for the purpose of giving employment to more workers, a new agreement was concluded in 1933. This is the so-called Feder-Bosch-agreement, the basic principle of which was a guarantee for a price equal to the cost price at a production rate which was to be increased from 100 000 tons to 200 000 tons of gasoline. At the same time, we were to be obliged to allow price controllers to examine the details of the works' calculations at all times.

Our previous production experiences had fixed or at least shown a certain cost price which could be kept stable as long as production continued along the same lines. This price was equal to the world market price plus customs duties. It was to be expected that heavier loads on the apparatus might lead to consequences which could alter the cost price to such an extent that considerable losses might be incurred by I.G. At the request of I.G., a new system, better adapted to changing conditions of production, was applied by fixing a sliding scale of selling prices proportional to the actual cost prices. The system was used in such a way that in case of an increase of cost prices I.G. was compensated for the difference between the usual selling price in Germany and the cost price by a payment made out of the customs revenue of the Reich Ministry of Finance. On the other hand, if the cost price was lower than the selling price, the difference was credited to the Ministry of Finance. For use as raw material, coal tar was bought in the free market which was transformed into gasoline in the hydrogenation plant. Up to then, tar had been used as coal tar mainly for the manufacture of dyes and roofing felt and for road construction. The refining of tar by the hydrogenation process allowed us to pay a high price for it which served as



(page 6 of original)

a greater incentive to start proper low combustion manufacture of tar from coal. At the same time, a better and more lucrative use for low temperature carbonization gases was the result, so that the lignite industry became especially interested in starting low combustion processes on a large scale and to increase its production. The low combustion plants suitable for this process were mostly owned by the State or by Municipal authorities. The I.G., too, has increased its production in the former Iddebeck Montan plant in some parts. But as I.G. intended to change over later to a direct process of coal hydrogenation, the production of gasoline from tar represented only a transitory stage for I.G. Within one year, an output of 200 000 tons of gasoline manufactured, at that stage, from tar was achieved, and after initial difficulties the cost price was balanced against the selling price. In 1934, KEPPLER had planned an increase of gasoline production, by using tar as a basis as well. At the request of SCHACHT, the Braunkohlen-Benzin A.G. was founded. This consisted of the owners of the lignite mines in Central Germany, and the shares were allotted in proportion to the ownership of the lignite mines. At first, the construction of three works was planned: Boehlen, with a production capacity of 200 000 tons, Magdeburg, with 220 000 tons, Ruhland with a production capacity of 100 000 tons; Zeitz, with a production capacity of 350 000 tons, was to come later. Boehlen, Magdeburg and Zeitz were to use the hydrogenation process of I.G., whereas Ruhland was scheduled to use the Ruhrchemie's process developed by Fischer-Tropsch. The industrialists themselves were approached by SCHACHT who explained his project for founding the Braunkohlen-Benzin A.G. to them. It was SCHACHT who, in his capacity as Reich Minister of Economy, had to take the initiative for founding this new company, since economical development came within the jurisdiction of that ministry. SCHACHT also drew the attention of the industrialists to the fact that he was endeavoring to let the industrialists themselves have free control and management of this new enterprise in order to prevent the development of purely Party enterprise. I.G.'s management willingly followed SCHACHT along the road he had taken because it was not thought advisable to achieve I.G. monopoly of such an absolutely vital product as gasoline, as it had previously happened with regard to nitrogen. Because of the great increase of nitrogen production, I.G. had

(page 7 of original)

achieved a monopoly for which it had been attacked severely in public. It was entirely in accordance with BOSCH's general attitude to avoid a similar development with regard to gasoline. I.G. agreed without hesitation to granting licences for its process to other manufacturers, a procedure which I.G. had always declined to follow with regard to nitrogen up to approximately 1928.

In 1928/29, I.G. had changed its policy concerning nitrogen and had granted licences for use of its process to other interested firms, for example to Hibernia. As early as 1925 the course of



(page 7 of original, cont'd)

granting licences to firms abroad had been taken, for example to Norsk-Hydro. Originally it had been projected to erect a factory in Norway under the sole ownership of I.G. This plan was however relinquished in accordance with the newly adopted nitrogen policy, and a licence agreement was concluded with Norsk-Hydro which formed the basis for the joint nitrogen production in Norway. Brabag (Braunkohlen-Benzin A.G.) started production in 1935. KEPPLER was the principal originator of a new process developed in the laboratory and technical school of Ruhrchemie, which he, in accordance with reports received from there, thought much more economical than the I.G. process. SCHACHT was the cause for the fact that the hydrogenation process chosen for the first two plants, Boehlen and Magdeburg, was a process developed by I.G. which had already been tried out in actual production. For the third plant, Ruhland, however, the Ruhrchemie process was chosen which resulted in the setbacks we had expected. Production in the Zeitz plant only started during the war; its construction was finished in 1938. When the Four Year Plan came into force and through it it became easier to find money for the development of big plants, a number of coal mining industrialists approached the Office of the Four Year Plan who were interested in, and came for the purpose of participating more than before in coal refining processes. Examples are: Hibernia, the company representing the mines owned by the Prussian State; Rheinische Braunkohlen A.G., Gelsenberg, which was backed by the Vereinigte Stahlwerke. The owners of the bituminous coal mines in Upper Silesia proposed the erection of a big gasoline factory in Blechhammer with Upper Silesian bituminous coal as raw material. Later, a group consisting of the subsidiary of the Standard Oil, the D.M.P. (Deutsch-

(page 8 of original)

Amerikanische Petroleum-Gesellschaft) and of the Rhensania, approached I.G. with the project of building a gasoline factory in Poelitz near Stettin which was to use imported crude oil as raw material. In 1928, an agreement had been concluded with Standard Oil, to which Anglo-Persian became a partner later on, according to which the oil companies received permission to direct the use of the hydrogenation process abroad for which I.G. had to give technical assistance. As a compensation I.G. was given the right to develop the process at will in Germany, and the sales organization of the big oil companies was put at I.G.'s disposal at cost price. The idea was to base the hydrogenation process in America on crude oil in order to achieve advantages regarding the proportion of gasoline to crude oil and the value of the output, in comparison with the cracking process used before. Such plants were erected at Baton-Rouge and Bayway. It was planned, furthermore, to apply other chemical methods and processes in order to manufacture refined products from crude oil, e.g. organic acids, alcohol, fatty acids etc. Ruhrchemie was the first to enlarge its plant which had previously been tried out on an experimental scale, to a total production capacity of 100 000 tons of paraffin, Diesel oil and lubricants. The Rheinische Braunkohlen A.G. erected near Wesseling a plant for the I.G. process with

(page 8 of original, cont'd)

a production capacity of 250 000 tons of gasoline. The Vereinigte Stahlwerke erected a plant near Gelsenberg also for the I.G. hydrogenation process, with a capacity of 350 000 tons and Hibernia built a plant near Scholven with a capacity of 220 000 tons. The plant at Poelitz near Stettin was enlarged for an output of 500 000 tons. The plant belonging to Hugo Stinnes, which worked on the Pott-Brosche process based on the extraction of bituminous coal by using heavy oils, and produced fuel oils of a high specific gravity, was enlarged to a production capacity of 150 000 tons. Blechhammer, the plant belonging to the Upper Silesian coal mining industry, was enlarged to produce 500 000 tons. Later, during the war, the Reichswerke Hermann Goering in Bruex were enlarged and reached a production capacity of 650 000 tons. In Moosbierbaum, a plant of 150 000 tons capacity was built by Donauchemie which was to be used for the I.G. process. Additionally, there was a smaller plant at Oppau for 50 000 tons, and another one at Lutzendorf, West of Leuna, with 60 000 tons. Industrialists interested in starting the production of mineral oils and gasoline approached the Staff for Raw Materials

(page 9 of original)

and Foreign Currency first which was, after the proclamation of the Four Year Plan, called the Office for German Raw Materials and Synthetics, and was still later renamed Office for Economic Development. Here, the process was examined by experts and, if it appeared suitable on principle, incorporated into the general development plan. At this stage, the prospective manufacturer could talk with the Finance Department of the Ministry of Economics about the financing of his enterprise. Apart from financial questions, this incorporation into the general development plan also ensured the sale of the products manufactured in the plant by contracts to that effect. Principal contents of the contracts were: guaranteed cost price plus payment for depreciation, interest, and a modest profit, which was to replace part of the expenses incurred during the experiments which had to be made in order to develop the process further and/or to achieve a lower cost price. At the same time, the allocation of the necessary labor and materials was also ensured by the incorporation of the project into the general development plan.

After the beginning of the war, several alterations had to be made in the set-up of the plants since - for example at Poelitz - the raw material previously imported no longer came in and the management was compelled to take Upper Silesian crude oil to Poelitz instead and to hydrogenate it there. A plant for the refining of crude oil was built in Moosbierbaum near Vienna in connection with the Austrian oil deposits. Besides that, it had been planned to erect a gasoline producing plant at Heydebreck, but this plan was not carried out during the war. The production capacities were exploited to the full, according to the figures previously given. Some plants, e.g. Zeitz, Bruex, Blechhammer, were still further enlarged during the war. The Bruex plant with a total output of 650 000 tons of gasoline was erected during the war. Blechhammer, the erec-

TRANSLATION OF DOCUMENT No. NI-6524  
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(page 9 of original, cont'd)

tion of which had been planned and ordered before the war, was developed to its full size during the war. The same applies to Zeitz which was built by Brabag.

At the end of 1940, after the campaign in France, the production of that whole industry had been reduced considerably because of the further development of the Four Year Plan. At that time, all available materials were to be used for the development of the housing program and of the transportation system since it was generally expected that peace with England would come soon; therefore, a great part of the materials available was already taken out of the stocks earmarked for the Four Year Plan at that time.

(page 10 of original)

Equally, interest in the development of mineral oil production had diminished after Polish Galicia had been occupied and the plants there had taken up production again. Later, interest in mineral oil production disappeared entirely after part of the Caucasus had been occupied since it was expected that the oil fields would come into the possession of the German troops. For the task of repairing and reconditioning the oil fields an organization had been built up, and the envoy NEUBACHER had been appointed as its head. He was assisted by Dr. E.R. FISCHER as expert on mineral oils. A big organization had been created for the reconstruction and the repairs of the Baku oil fields with thousands of workers waiting behind the lines for the moment when access to the oil fields would be made possible. Interest in mineral oil production began to increase again only when, in April/May 1944, the British and the Americans started to make systematic bombing attacks on the fuel producing plants.

I have carefully read each one of the 10 (ten) pages of this affidavit and initialled them in my own handwriting, have made the necessary corrections in my own handwriting and countersigned them with my initials, and herewith declare on oath that in this affidavit I have stated the whole truth to the best of my knowledge and belief.

(Signature) Carl KRAUCH  
(Signature)

Sworn to and signed before me this 29 day of April 1947 at Nurnberg by Professor Carl Krauch, known to me to be the person making the above affidavit.

(Signature) Jan P. CHARWATZ  
Allied Civilian ETO 420  
Office of Chief of Counsel  
for War Crimes  
U.S. War Department.

TRANSLATION OF DOCUMENT No. NI-6524  
CONTINUED

CERTIFICATE OF TRANSLATION

2 July 1947

I, Dorothea L. GALEWSKI, No. 34079, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of the document No. NI-6524.

Dorothea L. GALEWSKI  
No. 34079



TRANSLATION OF DOCUMENT NO. NI-8327  
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES .

AFFIDAVIT

I, Dr. ERNST STRUSS, Director of I.G. Farben, Chief of TEA Bureau of I.G., Secretary of the Technical Committee of the Verband of I.G., Manager of Division II (Sparte II) the Vermittelungsstelle W, and, since 1943, Production Manager for the entire German dyestuffs industry within the framework of the Economic Group Chemical Industry, after having been warned that I will be liable for punishment for making a false statement, state herewith under oath, of my own free will and without coercion, the following : -

On the 13th May 1938 I gave a lecture on "The great task of the chemical industry in the Four Year Plan, particularly fuel, oil, lubricating oil and rubber."

I have been shown and have carefully examined the photostat of an English text, consisting of 16 pages and starting with the words : -

"Preface. The German "Four Year Plan" was proclaimed by the "Fuehrer" in September 1936 on the Reichsparteitag (Party day) at Nuremberg".

This document is a true and faithful translation of my aforementioned speech. Chart and pictures referred to are missing ; otherwise the speech is completely translated.

Said document is attached to this affidavit and made a part thereof by reference. I sign each page of the document at the back concurrently with the execution of this affidavit.

I have carefully read each of the 16 pages of the document and the two pages of the declaration and have signed them personally. I have made the necessary corrections in my own handwriting and initialed them and I, declare herewith under oath that I have given the pure truth to the best of my knowledge and conscience.

(sig. :) Dr. Ernst Struss

Dr. ERNST STRUSS

Sworn to and signed before me this 30 day of May 1947 at Frankfurt Main by Dr. Ernst STRUSS known to me to be the person making the above affidavit.

(sig. :) Otto HEILBRUNN

DR. OTTO HEILBRUNN  
Civilian, ETO 3c140  
Office of Chief of  
Counsel for War Crimes  
U.S. War Department.

Translation

Kretschmar / Voelkel

P r e f a c e

The German "Four Year Plans" was proclaimed by the "Fuehrer" in September 1936 on the "Reichsparteitag" (Party day) at Nuernberg :

"Within four years Germany must be entirely independent from foreign countries with regard to those products, which possibly can be manufactured in some way or other by German ability, by our own chemistry and mechanical industry and by our own mining-industrie !"

Mentioning chemistry first, shows already, that this section will take a very important part in the plan, and in the chemical field it is again the I.G. Farbenindustrie which is highly participating in the "Four years plan" by its extensive scientific experiments and technical progresses. According to the "Fuehrer"s own words Germany shall become independent in those four years from importing foreign raw-materials as far as possible. That does not mean, however, that Germany will withdraw from international commerce and from the world-market. On the contrary, the "Four years plan" will induce us strongly to increase our exports in order to be able to pay the foreign raw-materials, still needed in the time of development. But still after accomplishment of this "Four years plan", which will be followed by a second one, we shall need further large

TRANSLATION OF  
DOCUMENT NO. NI-8327 (CONT'D)

quantities of import-goods, the payment of which can only be effected by intensive exports. In order to explain this apparent contradiction, I will give you now quite roughly a brief summary of those goods, imported by Germany in the last year. The whole import, listen, amounts to round 5½ milliards, being balanced by exports amounting to 6 milliards. May I point out, that especially the I.G. took a very important part in it and by that in such a way helps again to accomplish the enormous tasks of the "Four years plan".

I will now once more go through the large amounts of the import-statistics in order to show you the share of chemistry in the different groups and the success to be expected within the scope of the "Four years plan". Later on in addition to that I shall give a detailed with reference to the red underlined items "fuels and greasing-oils and caoutchouc".

First the table-luxuries. It is mainly thought of coffee, tobacco and tea. There does not seem to be any great chance of replacing these products by German-ones. I don't think, anyone would like to miss these products in future, and only for that reason you will understand, that this item will always take an important part in the import-statistics of Germany, the amount of which we shall have to pay with the proceeds from corresponding export-goods.

A very large sum, namely 1,7 milliards, was spent last year for the import of foodstuffs. This amount contains almost 400 millions for corn and a still higher



TRANSLATION OF  
DOCUMENT NO. NI-8327 (CONT'D)

amount for fats, either as such or as raw-products for  
the purpose of making fats.

TRANSLATION OF  
DOCUMENT NO. NI-8327

Translation.

Loefer / T. Schuppener

This difficult in food and especially the bottle neck in the supply with fat cannot be closed in the near future. However, the chemistry is extraordinarily active, to gain a considerable improvement of the position. We help by producing huge quantities of cheap fertilizers, by creating suitable preservatives for green food and finally we place at the disposal insecticides, which help to fight energetically against the large loss in the crop be animal and vegetal-parasits. These losses in consequence of these parasits, which the german agriculture suffers, amount at present to several hundred millions of Mark per year. On this subject the I.G. is absolutely leading and all these extensive tasks are always managed in co-operation with the Reichsanhehrstand.

The chemistry already tackles energetically the bottle neck in the supply with fat. We at first succeeded in producing synthetic products without fat from German raw material, which may replace the soap and facilitate the human nourishment, as the impoted raw-fats may used for manufacturing soap and margarine. Secondly we succeeded according to the Fischer-Tropsch prices, which will be mentioned below, in producing large quantities parafin out of German coal and out of these parafines again fats for soaps and for the human nourishment. These efforts however, have not gone already to such an extent, that they will bring us a considerable relief in the very next years. In the long run the bottle neck in the supply with

TRANSLATION OF  
DOCUMENT NO. NI-8327

fat will certainly be closed by the chemistry.

The next item refers to ores and metals; the greatest item represents the iron ore. The chemistry is less interested in the improvement of the German iron-balance, but as you know, within the scope of the Vierjahresplan (= 4 years plan) serious plans will be dealt. By means of the Hermann Goering-Werke, which will be erected in the vicinity of Braunschweig, unused German iron-ores, which are available in large quantities, will be utilized. An essential improvement brought the annexion of Austria, which country possesses large quantities of iron-ores of first class quality (2nd plant of the Hermann Goering-Werke at Linz.)

The second important item amongst the metals represents the copper. From this material in Germany only small quantities are available and a substitute cannot be created by the chemistry. However, the possibility exists to replace same in a great extent by the lightmetals aluminium and magnesium. Magnesium, the lightest metal largely used to day in alloys for the construction of aeroplanes and motorcars, can be produced in unlimited out of pure German materials.

Later on we intend to produce aluminium out of German clay. For the time being as raw material we still require bauxite which has been imported up to now, but we hope to procure same from the south-east-European territory especially from Hungary; this material takes up only little percent of the cost of the ready aluminium.

TRANSLATION OF  
DOCUMENT NO. NI-8327

Translation

Zuebert / Mungal

The German Aluminium production is at present the biggest in the world, since national socialisme came to power it increased from 20 000 metric tons p.a. to about 120 000 metric tons and is at present further on the increase.

As far as ores and metals are concerned chemistry has made still further progress owing to want of time I cannot however go into details. I would only mention that in our works at Wolfen a large plant is being completed, in which sulphuric acid is produced from German gypsum, whereas formerly the requisite, sulphurous pyrites, had to be imported from abroad.

In the domain of Textile raw materials likewise great progress is being made with the aid of chemistry. You see that in the past year we had still to import for 700 million Marks cotton wool and other textile raw materials. Mean while the German staple-fibre (Zellwolle) production has reached gigantic figures. Until the end of the year 1938 we shall produce about 180 000 metric tons staple-fibre and 60 000 metric tons artificial silk, which means that end of this year we shall be in a position to cover nearly half of the total requirements in textile raw materials by home production. It is particularly gratifying that I.G. succeeded in the first place to make use of the beechwood which is at disposal in Germany in sufficient quantity. The first giant plant for staple-fibre from German beech-wood came into operation in our film works



TRANSLATION OF  
DOCUMENT NO. NI-8327 (CONT'D)

at Wolfen towards the end of 1937, The placing at disposal of further large quantities of beech-wood requires only alterations in the organisation because 3/4 of the cutting of beech-wood is at present used as fire-wood. This should be replaced gradually by coal.

Since the enormous figures of the German consumption in textiles which amounts to 600 - 700 000 metric tons p.a. will not give you a clear view, I will calculate the figures for each individual. Every German citizen therefore consumes in one year about 10 kilo textiles, be it as clothing, linen or curtains, casements, furniture goods and the like. Of these 10 kilos more than 9 kilos had to be imported in 1932 from abroad; in 1939 it will only be about 5 kilos. You see that an enormous progress has been made, principally during the last two years. The item of 700 million in the import statistic will soon drop to half of this amount or even more.

The next big import item of 260 million Mark refers to skins, which are easily worked up to leather. Also in this instance chemistry is of assistance as it produces from German raw material artificial leather, which, before long will stand every comparison with natural leather.

Of wood for various purposes, be it for buildings, for the production of paper likewise an import amounting to 200 million is necessary. In this case too, the I.G. assists to reduce this item, in particular by way of improving common woods, or by replacing wood by plastic materials.

By including Austria, which possesses large forests, a

TRANSLATION OF  
DOCUMENT NO. NI-8327 (CONT'D)

further facilitation will be felt on this domain.

It we now look at our schedule, I would determine that of the import of 4 milliards, which we have just discussed, quite a considerable part can be replaced by production from German raw materials. In the long run at least half of this import requirement will disappear. Even then there still remains - calculated under present conditions - an import of more than 3 milliards, and then we must not overlook that at present we confine our import to the utmost, so that - provided we can maintain our export at the present level - we can import other goods, which we now miss, in place of the raw materials at present required from abroad.

TRANSLATION OF  
DOCUMENT NO. NI-8327 (CONT'D)

I M P O R T 1 9 3 7

(figures in mill. RM)

|                              |          |          |
|------------------------------|----------|----------|
| Table luxuries               | RM 300 ) |          |
| Foodstuffs                   | " 1700 ) | RM 2.000 |
| Ores and metals              | " 800 )  |          |
| textile raw materials        | 700 )    |          |
| skins                        | " 260 )  |          |
| caoutchouc                   | " 120 )  | RM 2.400 |
| fuel and<br>lubricating oils | " 300 )  |          |
| wood                         | " 200 )  |          |

Ready goods and miscell. RM 1.000

RM 5.400  
=====

Translation

Rechtenberg / Michel

Extract from the Fuehrer's speech on the  
occasion of the "Reichsparteitag" (Reichs-  
Congress of the party) 1936 .

(Berliner Tageblatt of September 10<sup>th</sup>, 1936)

The national-socialist state not being disposed at any rate to introduce birth control, but being on the contrary decided to increase the very natural prolificacy of the nation, we are compelled to reflect, carefully on the consequences of that development for the future. It is impossible to increase materially the yield of the soil, and it is scarcely possible to increase considerably exports in the near future.

The new four years plan.

Therefore the national-socialist state and economic authorities have the duty of examining carefully what necessary raw materials, fuels etc. can be produced in Germany by herself.

The "Devisen" thus saved, will then in future as a supplement for securing food supply and for buying those materials which cannot at any rate be procured in this country.

Within four years, Germany must be fully independent from foreign countries in all those materials which can anyhow be procured by German capabilities, by our chemistry and



TRANSLATION OF  
DOCUMENT NO. NI-8327 (CONT'D)

machine industry as well as by our mining.

The new reconstruction of this great German raw material industry will also give work of use for national economy to the human masses available after the end of rearmament. Thereby we hope to be enabled to increase again national production in many lines and that, in the internal cycle of our economy, in order to reserve the sums cashed from our exportation first of all for food supply and for procuring the raw materials we are yet in need of.

Consumption of textile raw material in Germany.

figures in 1000  
metric tons.

Consumption of textile raw  
material on the average

600 metric tons n.a.

of which formerly

about 50% cotton

and 25% wool

Production of  
natural fibres

Production of  
synthetic fibres  
and staple fibre.  
(Zellwolle)

1 9 3 2

25

25

1 9 3 9

50

210

Translation

Haag / Baldamus

G a s o l i n e .

I will now come to a field in which we shall become independent of foreign countries in a few years. I am speaking of fuels and lubricants, our import demands of which still amounted to RM 300 millions in the last year. Not only this amount demonstrates the importance of this field, it is emphasized by the political significance of the petroleum. A little example of the recent past may explain this.

Italy won the Abyssinian war by modern weapons and by building special high ways. In modern wars the consumption of gasoline for motorised troops, tanks, aeroplanes, is immense. As the troops advanced into the country the military roads became immensely long, as was the case in Abyssinia - all reinforcements, provisions for the fighting troop etc. had to be transported by car - and the consumption of gasoline increased still further. In addition an extensive motor park had to be kept in order to supply the motorised units of the fighting forces and the air-bases build in Inner-Abyssinia. Although provisions had been made beforehand, it was impossible to store these enormous of gasoline needed in the Italian territories on the coast before the war, they had to be filled up continually the same as men, weapons and ammunition. As Italy has no petroleum of her own she was relying on the continual import from abroad. Nearly all the petroleum

TRANSLATION OF  
DOCUMENT NO. NI-8327 (CONT'D)

in the world is controlled by USA and the countries that are members of the league of Nations, if therefore gasoline had also been included in the sanctions, as proposed by England and France, the war would have come to an end very soon. Italy could win the Abyssinian war and build her empire only because England and France could not carry into effect their intentions.

This example will make it clear to you, that it is quite out of question, that Germany will run the risk of a similar situation and for this reason also the German demand of fuel has to be covered by Germany herself before long. The processes necessary have been developed to such an extent - especially by the I.G. - that the realization of this gigantic task is possible. Unfortunately as prices are concerned we cannot compete with petroleum, but that does not mean that prices will have to be kept at the present level in the long run.

Table 2 shows you the German fuel demand climbing very much according to the increasing motorisation. At present we need about 5 000 000 tons of fuel and  $\frac{1}{2}$  million ton of lubricants. This amount is divided into light fuels, gasolines, the consumption of which is estimated at 3 million tons in the present year, thus the greatest part of the total amount of fuel.



TRANSLATION OF  
DOCUMENT NO. NI-8327 (CONT'D)

The second place is held by the Diesel oils, which in an increasing manner are used for trucks, rapid railway- and aeroplane - motors. Thereafter are ranging the heating oils, which particularly are used for driving ship-motors. In order to give you also in this case a better idea of the quantities it may be said that in Germany 70 kcs of fuels are consumed yearly per head of the population whereas in the United States the enormous quantity of 1 ton or 1000 kcs are needed yearly by each inhabitant. You will gather therefrom which possibilities of development may still come forward on this line.

At present the requirements of fuels and lubricating oils are generally extracted from naphta.

On photo 1 you will see the unequal distribution of this natural substance. By far the biggest quantity is obtained in America and here again in the United States using by far the largest part of their giant production themselves. The next biggest producer is Russia, then comes Venezuela, Persia, Dutch-Indies and Roumania. As far as is known to-day the occurrence of naphta will last for 20 to 30 years. Also for this reason it will be advisable for us to pass over to the raw material coal, the occurrences of which in Germany will be available still for a thousand years.

On photo 2 you see the raise of naphta in Germany on a much bigger scale. Although one succeeded since 1932 to raise the production from 240 000 t or to about 500 000 t we can with this German naphta containing only little benzin only cover a very small part of our requirements of fuels, but

a considerable part of our requirements of Lubricating oil the German naphta being very suitable in this direction.

Photo 3 shows the scheme of hydrogenation of coal. When producing benzine coal is used for three different purposes : once coal itself is converted into benzine or Diesel oil, secondly the hydrogen still necessary for the adding of hydrogen - i.e. the hydrogenation - is also produced out of coal and thirdly quantities of coal are necessary to obtain the necessary energies, electricity, current and steam. You will see from the scheme that a number of valuable by-products arise, particularly large quantities of propane, butane, which as fuel gases instead of benzine are used for driving trucks and which are filled in cylinders. This method is being adapted in an increasing manner .

On photo 4 you will see the three benzine processes at present being applied in Germany :

- 1) the I.G. process
- 2) " Fischer process
- 3) " Pott- Broche- process.

Translation

B u h r o w / T. Schuppener

-5-

On picture 5 you see now the whole working process of the benzine synthesis schematically. The different apparatus you will see later in further transparent positives after original photographs, made in our work Leuna.

The brown coal arrives from the mine in great luggage-vans at the work, automatically is to be filled in bunker, forwarded in high situated bunkers by elevators and comes from there in great dryers, in which it is equally dried and ground. Here still is to be made an important addition; a so called catalyser is to be mixed up in a dissolved estate, it effects, that the hydrogenation in the coal furnace takes place with greater easiness and speed. In a mixer the coal is to be stirred to a paste with heavy oil, which is taken off from the hydrogenation. The so existed coal mass. imagine nearly like a thin honey, then comes in the paste press and from there under pressure of 200 atm in a pre-heater. Before entering the pre-heater, to the coal mass is to be added the carefully cleaned and on 200 atm. compressed hydrogen.

As already mentioned before this hydrogen is generated out of coal in gigantic apparatus, not drawn in here on account of simplicity. From the pre-heater the coal mass at a temperature of  $450^{\circ}$ , mixed with the necessary quantity of hydrogen, comes in the coal furnace and there takes place the transformation of the coal to an oil. These coal

TRANSLATION OF  
DOCUMENT NO. NI-8327 (CONT'D)

furnaces are gigantic cannon tubes with a length of 18 mtrs. thus far higher as a medium house. At this high temperatures and high pressures they are exposed to an according strain, as you can imagine. From the coal furnace the oil comes in a refiner, where the ash residue is drawn off and later has to be treated separately. The oil goes in a distilling apparatus, where it is to be separated into heavy oil and middle oil. The heavy oil is to be reconducted in the mixer and serves to grind the coal mass. The middle oil goes in the oil press and again is to be brought on 200 atm. once more diluted with hydrogen and again goes through the pre-heater in the so called benzine furnace. In this furnace with the help of a catalysator fastly built within, is to be executed the further transformation of the middle oil. After a new distillation the product separates itself in middle oil, to be reconducted in the circular course, and in crude benzine which is now to be refined in the last apparatus. As already mentioned, hereby accumulate great quantities of gases which also are employed as fuels or as heating gases.

picture 7 : brown-coal - open work

- " 10 : high pressure receiver with erecting crane
- " 11 : load press
- " 12 : gas compressor
- " 13 : catalysor
- " 14 : high pressure furnace in erecting
- " 15 : control station of the high pressure furnace



TRANSLATION OF  
DOCUMENT NO. NI-8327 (CONT'D)

picture 16 : hydrogene washing process  
" 17 : benzine distillation  
" 18 : treatment of residues  
" 19 : bottle filling  
" 23 : Leuna-work

At last still something about the quality of synthetic benzines. After all treatments in hand, one can produce benzines without difficulty which are of the same value or even better than the natural ones. For aircrafts, especially for long distance raids or to attain highest speeds are to be required a great deal and also that can fulfil the German chemical industry without difficulties.

TRANSLATION OF  
DOCUMENT NO. NI-8327 (CONT'D)

Translation

Zuebert / Michel

Germany's requirements in million  
metric tons (without Austria).

|      | <u>Fuel</u> | <u>Lubricating Oil</u> |
|------|-------------|------------------------|
| 1932 | 2.-         | 0.3                    |
| 1935 | 3.3         | 0.4                    |
| 1938 | 5.-         | 0.5                    |
| 1940 | 6.3         | 0.6                    |

Translation

Mysing / Mungar

C a c u t c h o u d .

Now I come to speak about the natural cacutehouc, for which, as you will have seen, in order to import it, still in the year 1937 120 million Mark were necessary. The works for the manufacturing of the artificial cacutehouc were gebun by I.G. before 1914 and during the war led so a considerable fabrication. The manufactured product was not very apt for tires, but very good as hardened cacutehouc, and in this form it was used very much in our submarines. After the world war the works were taken up again on a different base and until 1932 have been succesaful in such a way as a manufacturing on a large scale could be throught of. At present a part from the old plants on the Rhine, already a big factory in the centre of Germany is manufacturing, and according to the first four years plan there will be more factories. In a few years also in this field we will have obtained the complete independence from foreign countries.

Before speaking about the manufacturing of the synthetic cacutehouc I want to demonstrate to you briefly how the obtaining and the consumption of cacutehouc has developed since 1870.

Table 1 : A that time there was only the s-called

"Wildkautschuk" (wild cautchouc) which came from the Brasil and was obtained by the natives by tapping rubber trees which existed in the virgin forests. Until about the year 1900 the obtaining of "wild cautchouc" rised to 50 000 annual metric tons. In the meantime clandestinely with many efforts the English had got seedlings out of the Brasil which they cultivated in London in a special establishment and then planted them in their colonies, particularly in the Malayan estates and in Ceylon. Shortly afterwards in the Dutch Indies great plantations were created and thus the plantation cautchouc came into existence which has been given an enormous rise by the invention of the tires for motor cars since 1910. You see from the table that the "Wildkautschuk" (wild cautchouc) has become unimportant and that at present more than 1 million metric tons cautchouc are being obtained annually in the plantations, some pictures of which I can shown you afterwards.

In table 2 you see the main places where the plantation cautchouc is obtained e.g. the Malayan estates which are the British possessions in the north of the important naval and commercial port Singapore. There almost the half of all natural cautchouc is obtained. The second important territories are the Dutch Indies. In the Isle of Java the Dutch Indies one third of the world production is obtained. The rest is distributed particularly on Borneo, Sumatra, and Ceylon. You see that the whole plantation cautchouc either is in the hands of England or of the Netherlands. These countries fix the prices for the product to the



TRANSLATION OF  
DOCUMENT NO. NI-8327 (CONT'D)

whole world and their riches frequently derive from surplus profits they could obtain from their caoutchouc plantations.

In table 3 you see how the consumption of natural caoutchouc is distributed in the different fields of application in the United States of America and Germany. I want to make you more comprehensible the high figures.

Translation

Brudermueller / Balkenhol

In the present time a yearly consumption of 1 - 1½ kg rubber is to be apportioned to every person of the German population, in the United States which take up more than half of the world production, 4 - 5 kg.

Picture 4 - 8 : Caoutchouc plantations.

After having given you a brief summary as to the development of natural caoutchouc, I should like to pass on the manufacturing of synthetic caoutchouc. This production will be limited just as little to Germany, as that of synthetic benzene, since also in other countries, especially in the United States, the dependency upon England and Holland is felt rather troublesome.

Whereas with regard to benzene we are producing artificially always the same products, which can also be extracted from petroleum, we succeeded in the other hand with buna in opposing to the natural products a great number of different kinds of synthetic caoutchouc, which in part have other and substantially better properties than natural caoutchouc. The different qualities which we are putting on the market are partly fast to oil and to benzene, and are therefore apt to be used f.i. to benzene tubes and to the bearing of machine parts, consequently in such cases in which natural caoutchouc is of no avail. In the cable industry, too, the synthetic caoutchouc is gaining large and important fields of application. Its outstanding properties are :

TRANSLATION OF  
DOCUMENT NO. NI-8327 (CONT'D)

better fastness to heat and to oxidizing and a much smaller rubbing off which plays an important part with moto-car tyres.

- Picture 11 : process Buna S
- " 13 : Imaginary picture of a buna factory
- " 14 : Schkopau
- " 16 : Aldol distillation
- " 17 : working platform
- " 18 : styrol furnace
- " 19 : Sodium polymerization
- " 20 : test plant Leverkusen
- " 21 : emulsion polymerization
- " 22 : Kruemel
- " 23 : plant Schkopau

I have herewith shown you how buna is being manufactured. In the meantime further technical improvements have been achieved so that many of the pictures which have been shown here, are already out of date. The gigantic plants are, just as for benzene, based upon continuous and mechanical process with a view to employing therein a minimum of persons.

Whereas, with regard to benzene, the manufacturing process is closed after having obtained the finished product, which, of course, must be submitted to an exhaustive examination and control, once caoutchouc is produced the greatest difficulties are yet to come. As I have already pointed out, we do not produce that what nature does, and consequently also the working

up of caoutchouc in the manufacturing industry is based on other principles as with natural caoutchouc. Thus our rubber factories, especially the "Continental Gummi-Fabrik", Hannover, had to make every possible effort in order to master. Also in this line the I.G., co-operates actively; you may infer this from fact that in Leverkusen we have constructed a gigantic laboratory and test plant for the working up of rubber spending several millions of Marks, and which will start working in these days. We are aware that researches of many years with still be required in order to develop in this new laboratory and in close co-operation with the great rubber works all the tasks resulting from the working up and the applications of synthetic caoutchouc. The price for synthetic caoutchouc is, for the time being, much higher than for plantation caoutchouc. In the long run, however, it will be possible to cut down this difference in prices considerably, and undoubtedly the consequence will be that the customer, irrespective of the somewhat higher price for synthetic caoutchouc, will be better off owing to its more advantageous properties than with natural caoutchouc. In foreign countries, too, our products are obtaining customers.

- a) export
- b) licensing

Working up of caoutchouc :

- Picture 24 : rolling-mill plant  
" 25 : mixing apparatus  
" 26 : calendar



Picture 27 : stretching of sheets

" 28 : spraying of tubes

Manufacturing of tyres

Picture 29 : cross cut section of tyres

" 30 : machinery for manufacturing  
tyres

The flatly constructed tyre gets its definite shape owing to strong pressure and goes in an iron form into a furnace, in which the so-called vulcanisation takes place under high pressure. This is a chemical process, in which the sulphur previously embodied into the rubber combines with the caoutchouc molecule.

Testing and properties of the finished products.

Picture 33 : test-department

" 34 : tensile test

" 37 : aging

" 41 : rubbing off

" 43 : tyres worn out

" 44 : apparatus for testing tyres

" 49 : buna exhibition

" A CERTIFIED TRUE COPY "

TRANSLATION OF EXTRACT FROM DOC. NO. NI-5909  
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES

Report of meeting of the Technical Management (Technische  
Direktionsitzung) at Frankfurt a.M.-Hochst on 12 October  
1936

Present: Hermann  
Leutenschlaeger  
Jaehne  
Kraenzlein  
Pfaffendorf  
Roth  
Staib  
Struss  
Engelbertz  
Hagenboecker  
Hilcken  
Krauss  
Landers  
Tempke

Schwaborn (part of the time)

.....  
.....  
The question of how the Four Year Plan was working out was dealt with in connection with which the securing of the requirements of gasoline as well as rubber, further the supplies for the manufacture of artificial fibre, are the most urgent for I.G. Farben. The increase in artificial fibre to 35,000 tons per annum is to be carried out by end of the year. Staib points out that there is again to be a further increase of 40,000 tons per annum. The manufacture of metals is also experiencing a significant increase.  
.....

-----  
(signature) HILCKEN.

CERTIFICATE OF TRANSLATION

I, DOROTHEA L. GALENSKI, MP 34079, hereby certify that I am thoroughly conversant with the English and German languages; and that the above is a true and correct translation of excerpts of Doc. No. NI-5909.

DOROTHEA L. GALENSKI,  
MP 34079

END

51

(illegible initial)

43rd Meeting

of the Aufsichtsrat of the I.G. Farbenindustrie  
Aktiengesellschaft on 17 October, 17,00 hours,  
in the administration building of the  
Ludwigshafen/Rhein plant.

All members of the Aufsichtsrat were present, except

Dr. Richard Morton  
Dr. Axel Aubert  
Dr. Walter von Bruening,  
Waldemar von Boettlinger.

AGENDA.

1. Presentation of the minutes of the last two meetings.
2. Activity of the Verwaltungsrat (Administrative Council)  
since the last conference of the Aufsichtsrat.
3. Report of the Vorstand on the general business situation.
4. Miscellaneous.

(page 2 of original)

Before starting on the agenda the chairman, Geheimrat BOSCH,  
remembered those members of the Aufsichtsrat and Vorstand who  
during the current business year have celebrated their 60th,  
70th, 75th and 80th birthdays, as well as those who have cele-  
brated their 25th and their 40th business anniversaries or will  
do so, amongst the latter especially Geheimrat SCHUON and  
Dr. KALLE.

Re Item 1) of the Agenda:

Dr. BUHL read out the minutes of the meetings of the Aufsichtsrat  
on 6 and 25 June 1936. No objection was made as to the wording.

Re Item 2) of the Agenda:

Privy Councillor BOSCH reported on the meeting of the Verwaltungs-  
rat on 21 July 1936 in which loans of more than RM 100,000.-  
totalling RM 51,650,680.- were granted and a number of contracts  
approved.

Re Item 3) of the Agenda:

Geheimrat SCHMITZ gave/detailed report on the general economic  
situation and the activities of our firm during the past months  
of the current business-year. He particularly stressed the great tasks

TRANSLATION OF DOCUMENT No. NI-8200  
CONTINUED

(page 3 of original)

which our firm has with regard to raw materials in the Four Year Plan as announced by the Fuehrer in Nuernberg. At the same time he referred to the increasing difficulties in regard to our export through the devaluation which has taken place in the countries which have come off the gold standard. On the whole our firm was able to maintain its exports, partly even to increase it, in many cases however only through price concessions. The stock of raw materials and technical materials may be called good. The situation of the individual Sparten is absolutely satisfactory, especially the chemical Sparte can report a considerable increase in sales, though mostly in its home sales.

According to the increased activity the number of employees, which amounted to 114,308 incl. Horseburg, Kalle and the coal-mines, on 1 January 1936, increased considerably by 1 September 1936, namely up to 120,801.

In spite of great demands for loans the coming balance sheet will probably show no deterioration in regard to liquid assets, therefore, a favorable balance can also be expected for this financial year.

Re Item 4) of the Agenda:

Nothing to report.

CERTIFICATE OF TRANSLATION

10 July 1947.

I, Dorothea L. GLEISKI, ETO-34 079, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of the document No. NI-8200.

Dorothea L. GLEISKI  
ETO-34 079.



THE  
FOUR YEAR PLAN

Journal for National Socialist economic policy with the  
official reports of the General Deputy for the Four Year  
Plan, Prime Minister Generaloberst GOERING

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Series 3

Berlin, March 1937

1st Year

It is therefore my irrevocable decision to make the German motor transport industry (Luftverkehrswirtschaft), which is one of the greatest industries of our race, independent of the insecurity of international imports and to put it on a firm, sound basis of its own. In two or three years we will be free of requirements of fuel and rubber from abroad, and will thereby ensure a livelihood to innumerable German citizens, and likewise German metal production will be promoted to the utmost. And there can be no doubt: either the so-called free economy is capable of solving this problem, or it is incapable of continuing as free economy. The National Socialist State will under no circumstances capitulate either in face of the indolence or stupidity or in the face of the bad will or the individual German. Employees and employers at both contractors of the German economic system, and neither has the right to do anything against the interests of the people as a whole in looking after his own interests. If we had not carried through these principles during the last years then the same would occur in Germany to-day as in various other countries. It is thanks to the National Socialist control of State and economy that our circumstances are orderly and without this the economic life of a people cannot run smoothly. Moreover history has shown that human capability was always great enough to improve and cheapen production processes in a short time so that the products were not only equal to but in most cases superior to the former ones in price. In taking on this great problem of securing our raw material basis, we are acting - let this be understood by all German contractors and workers! - directly in the interest not only of an abstract German economy, but in the interest of the contractors as well as of the millions of German workers. It is quite clear that we are thereby neglecting nothing in order to improve our international relations and

TRANSLATION OF DOCUMENT No. NI-6627  
CONTINUED

( page 1 of original, cont'd)

to further trade. I think that the development of the German motor export is just one example of how little economic isolation is dreamt of in this State.

Adolf HITLER at the opening of the  
International Automobile and Motor  
Cycle Exhibition Berlin 1937.

CERTIFICATE OF TRANSLATION  
OF DOCUMENT No. NI- 6627

10 June 1947

I, Mary Flack Perry, Civ. 20136, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of Document No. NI-6627.

Mary Flack PERRY  
Civ. 20136

-2-  
"END"

✓

Haase

Translation

Haag/Baldamus

I. Fuels

Total consumption of Fuel.

The total German consumption, which in 1933 had already exceeded 2.5 million tons sank in 1932 again under 2 million tons, in 1934 it reached about 2.5 million tons. The consumption of fuel in 1935 is much higher and increases still further in the present year.

Our home production has developed in the following way:

German home production:

|                  | 1934 | 1935 | 1936 | 1937 |
|------------------|------|------|------|------|
| Louna            | 150  | 220  | 300  | 300  |
| Boehlen          |      |      |      | 150  |
| Magdeburg        |      |      |      | 150  |
| Hibernia         | -    | -    | 150  | 120  |
| Fischer-Tropsch  |      |      |      | 120  |
| Spirit           | 170  | 180  | 200  | 220  |
| Methanole        | -    | 5    | 30   | 60   |
| Benzole          | 300  | 300  | 300  | 300  |
| German crude oil | 50   | 100  | 100  | 100  |
|                  | 670  | 805  | 1080 | 1520 |

This shows, that we cover at present only a good third by our home production. In 1937 according to the present plans we shall be able to cover nearly half of the demand by our home production. I.G. takes a very great part in this development.

In Louna for the first time, the maximum production agreed upon with the

TRANSLATION OF  
DOCUMENT NO. NI - 8328 cont'd.

Reich of 300 - 325,000 tons annually was achieved in January 1936  
by a production of 25 000 tons monthly. For the works:

|                     |   |
|---------------------|---|
| Boehlen             | (already in operation)                      |
| Magdeburg-Rothensee | (starting work in the end of 1936)          |
| Hibernia, Herne     | (starting work in the end of 1936)<br>also) |

We gave our processes and extensive technical assistance.

4 experimental plants for the Fischer-Tropsch-process with a total capacity of 120 000 tons are in course of construction, and will come into operation this year. The I.G. process proceeds from lignite (Louna) or distills at first lignite and hydrogenizes the distilled tar then. (Boehlen, Magdeburg-Rothensee).

The plant of the Hibernia in Herne, that works according to our licences, will for the first time in Germany work according to the I.G. process proceeding from pit-coal. For this process we have made very costly experiments in Oppau. In England I.G.I. already runs a hydrogenation plant on the pit-coal base in Billingham.

In contrast with our process the Fischer-Tropsch-process proceeds from the pure gases carbon monoxide and hydrogen, made of coke and water. According to the way the process is worked, either olefins or paraffine will be the result. Three of the above-mentioned Fischer experimental plants work on the base of pit-coal and the fourth in Runkel/ district Lusatia works on the base of lignite.

The cost-price of benzine lies between 20 and 25 Pfg. at present nearer the upper limit, in a few years time certainly nearer the lower limit.

Produced Amounts of Gas.  
-----

It is important that the benzine synthesis according to the I.G. process as well as to the Fischer process produces considerable



amounts of gas. Assuming Merseburgs proportion for everywhere:

|      |                        |
|------|------------------------|
| 1936 | 150 - 200.000 tons and |
| 1937 | 300 - 400.000 "        |

waste gases are produced. These waste gases consist to nearly similar parts of the 4 lowest paraffinhydrocarbons:

|         |                           |
|---------|---------------------------|
| Methane | $\text{CH}_4$             |
| Ethane  | $\text{C}_2\text{H}_6$    |
| Propane | $\text{C}_3\text{H}_8$    |
| Butane  | $\text{C}_4\text{H}_{10}$ |

The two latters can partly be used as gaseous motor fuels and thus improve our own German fuel production.. A little part of these two gases is used for households in the country that are not supplied by the municipal gasworks or by overland gas. But these two solutions are only a transition, it will be necessary to find other utilisations. Known and in thorough work by I.G. are

- 1) conversion of all 4 gases in the luminous are on acetylene followed processing up the acetylene to synthetic rubber, solvents, plastics etc.

Together with Standard Oil we have made important preliminary tests in Deton Rouge for years.

Translation

Soybold/Baldamus

A short time ago the first experimental plant working on a large scale was started up at Leuna.

- 2) Working up of ethane  $C_2H_6$  for obtaining the corresponding quantity of Olefin  $C_2H_4$  according to a new process developed by us and working up of the ethylene to obtain high grade lubricating oils or ethylene products for instance glycol ("Glysentin"). New explosives (precaution!).
- 3) Working up of the gases to obtain "Polymer-petrol" according to process developed in America.

Problem of lubricating oil.

The problem of lubricating oil is closely connected with the fuels. At present about 400 000 metric tons of lubricating oil are used in Germany and the development is still growing. The German naphta is very suitable to the manufacture of lubricating oils but under the most favourable conditions there may be produced out of 400 000 metric tons German crude oil of the present production about 130 000 metric tons lubricating oil only. (New process developed by us). We would, however, mention that the latest investigations have shown that the most important district of German crude oil Hannover-Nienhagen which supplies about 70% of the total quantity, is estimated at a life of 5 - 6 years (precaution!)

We already mentioned that another source of lubricating oil originates from the waste gases of the coal hydrogenation (working is yet in the initial stage). For the first ethylene plant starting from the ethane of the hydrogenation Leuna just consented to 650,000.— Marks.

Methanol as addition to fuel.  
-----

The fuel basis may be enlarged to a certain extent by adding methanol. From January 1<sup>st</sup>, 1936, in consequence of a compulsory measure, 10% methanol must be mixed up with the spirit, in one year this will come to about 20 000 metric tons. It is possible to increase this quantity to quintuple i.e. to about 100.000 metric tons.

Aviation petrol (precaution I)  
-----

In the current year about 80-90 000 metric tons aviation petrol are manufactured at Leuna which, of course, are included in the total sum of 300 - 320.000 metric tons. The aviation petrol is further improved by adding tetraethyllead which is manufactured at Pommnitz according to an American process. The plant has just been started. Further projects to manufacture specially high grade petrol for aviators only are under consideration.

I s o o k t a n  $C_8H_{18}$   
-----

This product can be manufactured by use in Central Germany and represents the ideal of a fuel (knock value 100).

D i e s e l - o i l (Gas-oil)  
-----

The Diesel oil problem needs not to be treated here, as we see that in 1937 there must be imported at least 1.5 million metric tons of fuel. The consumption of Diesel-oil is at present nearly one third of the total fuel consumption and up to 1937, in all probability, it will not increase more considerably than the total consumption.

signed Struss

Translation  
Zuebert / Michel

## II. Artificial Silk and Staple-fibre (Zellwolle)

In the Artificial Silk domain the I.G. participates in Germany with about one quarter, in the staple-fibre domain we have the lead.

### 1. Viscose.

As to Viscose the position was as follows:

| <u>a) Silk</u> | <u>1934</u> | <u>1935</u> |             |      |   |
|----------------|-------------|-------------|-------------|------|---|
| I.G.           | 8 000       | 12 000      | metric tons | p.a. |   |
| others         | 28 000      | 36 000      | "           | "    | " |
| Total          | 36 000      | 48 000      | metric tons | p.a. |   |

The figure for 1935 was reached in the artificial silk capacity, but in view of the unfavourable market conditions the quantity could not be disposed of. Besides end of 1935 large stocks were available in Germany.

| <u>b) Staple fibre</u> | <u>1934</u> | <u>1935</u> |             |      |   |
|------------------------|-------------|-------------|-------------|------|---|
| I.G.                   | 10 000      | 38 000      | metric tons | p.a. |   |
| others                 | 1.000       | 40 000      | "           | "    | " |
| Total                  | 11 000      | 78 000      | metric tons | p.a. |   |

Here the programme has not been approximately fulfilled; it will probably only become fully effective end of 1936. But even the available capacities could not be made use of fully. As from 1st January 1936 we have a compulsory admixture of 8% for all marketable cotton yarns. Further decrees will follow.

From these figures it may be seen that the development of the staple fibre (viscra) has been started by I.G., which, after long years of



laborious constructive work, has raised this product to its present high level. First the Vistra was to serve as admixture to cotton, as well as to a few other fibres. Since some time we also develop with great success variations, which can be admixed to the wool (Wollatra/Lanusa). The biggest problems on this domain were:

- 1) removing the inferior fastness to wet processing of the artificial silk fibre, which has already been removed to a large extent today
- 2) the difficulty of staining. Also in this respect great progress has been made; further success is expected.

The newer fabrics like Lanusa show, like wool, a strong curling and are made water-repelling by a special process, so that they approach wool in the respect too. We are fully convinced that the staple fibre will finally gain its place next to other textiles and that it will soon no longer be considered as substitute (Ersatzstoff).

## 2. Copper Silk.

On the copper silk domain the progress made - quantitatively seen - is smaller. Here also we have brought out a staple fibre with very good properties (Cuprana).

### Production and Capacity.

| <u>a) Silk</u>  | <u>1934</u> | <u>1935</u> |                  |
|-----------------|-------------|-------------|------------------|
| I.G.            | 1 700       | 2 700       | metric tons p.a. |
| others          | 3 500       | 5 300       | " " "            |
| Total           | 5 000       | 8 000       | metric tons p.a. |
| <hr/>           |             |             |                  |
| <u>b) Fibro</u> |             |             |                  |
| I. G.           | -           | 3 000       | metric tons p.a. |
| others          | -           | -           | " "              |
| Total           | -           | 3 000       | metric tons p.a. |

The figure for 1935 has not been arrived at in view of the bad market conditions.

### 3. Acetate Silk.

#### Production and Capacity.

| <u>a) Silk</u>  | <u>1934</u> | <u>1935</u> |                  |
|-----------------|-------------|-------------|------------------|
| I.G.            | 1 000       | 1 500       | metric tons p.a. |
| others          | 1 000       | 1 500       | " "              |
| Total           | 2 000       | 3 000       | metric tons p.a. |
| <hr/>           |             |             |                  |
| <u>b) Fibre</u> | <u>1934</u> | <u>1935</u> |                  |
| I.G.            | -           | 0.500       | metric tons p.a. |
| others          | -           | 2.500       | " "              |
| Total           | -           | 3.000       | metric tons p.a. |
| <hr/>           |             |             |                  |

Also this development did not take place, but the acetate silk has remained comparatively steady. The acetate fibre however, into the fabrication of which we entered with great reluctance has not developed as expected, it will apparently only come into question for special purposes.

Generally speaking we strongly participate on the further development of the acetate silk domain by the celli-works at Dormagen working according to our own very good process, and by the Aceta at Lichtenberg.

### 4. Total production of artificial silk and staple fibre in Germany.

The German artificial silk and staple fibre production comprises therefore after full execution of the plan the following quantities:

TRANSLATION OF  
DOCUMENT NO. NI - 8328 cont'd.

|                 | <u>Silk</u> | <u>fibre</u> |                  |
|-----------------|-------------|--------------|------------------|
| 1. Viscose      | 48 000      | 78 000       | metric tons p.a. |
| 2. Copper Silk  | 8 000       | 3 000        | " " "            |
| 3. Acetate Silk | 3 000       | 3 000        | " " "            |
|                 | 59 000      | 84 000       | metric tons p.a. |

At a total requirement in raw textile material of about 600 000 metric tons p.a., of which half of it is Cotton, we would cover with staple fibre round 14% and with artificial silk another 10%. To this have to be added the quantities of wool, linen spun yarn and hemp produced in Germany, which amount at present not events 5% of the German requirements in Textile raw material.

The own consumption of textiles fibres in Germany is judged very differently:

|                           | <u>Average 1930/32</u>     | <u>according to another</u> |
|---------------------------|----------------------------|-----------------------------|
|                           | <u>in 1000 metric tons</u> | <u>source 1933</u>          |
|                           |                            | <u>in 1000 metric tons</u>  |
| Wool                      | 130                        | 190                         |
| Cotton                    | 240                        | 400                         |
| Artificial silk           | 25                         | 35                          |
| linen spun yarn<br>& hemp | 35                         | 88                          |
| Jute                      | 70                         | 110                         |
| Total                     | 500                        | 823                         |

We have taken a medium value of 600 000 metric tons p.a.

5. Raw material problems.

a) Cotton Waste (linters)

Copper silk and acetate silk as well some special products are for the time being produced from Cotton Waste (linters) which must be imported from abroad and which require considerable amounts of foreign exchange.

The substitution of linters by wood pulp (Zellstoff) from German beech wood is in the course of successful preparation.

b) Wood Pulp (Holzzellstoff)

The big quantities of wood pulp necessary for the production of Viscose had to be imported so far from abroad (Sweden, Finland) or we had to draw our supplies from the Northern countries, as the German pine wood is less suitable.

Of late the I.G. has developed two processes, firstly to make from beech wood a normal wood pulp for viscose and secondly genuine qualities for copper and acetate silk. Also for other cellulose derivatives as methyl-cellulose (Tylose Dieblich) and for nitro-cellulose (film, celluloid, military purposes) this new purely German starting product seems to prove useful.

A big wood pulp plant, working on the basis of beech wood, is at present in the course of erection at Wolfen.

The big German beech wood forests, which are principally situated in the middle German districts Hildesheim, Kassel, are sufficient for the production of the whole German artificial silk and fibre requirements. The large quantities of chemicals, as caustic soda, sulphuric acid and carbon disulphide can be supplied freely by our works.



Langenbach / Gross

### III. Synthetic Caoutchouc

German total consumption at present 60-80 000 t, therefore 2/3  
for tyres.

Demand for foreign exchange: 50-60 000 000 RM.

At present I.G. follows the so-called 4 graded process (see enclosure) starting from carbide. We think that in some years we shall be able to replace carbide by the exhaust gases of the hydrogenation, which in the voltaic is changed into acetylene. The 4graded process will probably in about 2-3 years be substituted by the 2graded system, which will lead to a product being considerably cheaper. The new large experimental plant in Schkopau still uses the 4graded process and sets off partly with carbide and partly with the exhaust gases in Leuna. By means of the advantages which our product distinguishes from the natural caoutchouc:

- 1) better consistence against ageing
- 2) consistence against oil and benzins
- 3) better consistence against heat
- 4) better resistance against chemical agents
- 5) reduced abrasion.

We hope to introduce our product on a purely commercial way to the industry. In this connection we particularly think at the construction of motorcars where already to-day caoutchouc holds an important position; apart from the tyres 1-2% of the weight of a modern car is caoutchouc. Also for the lying down of heavy machines we hope to sell our product.

Good results were reached in manufacturing conveyor belts, brake hoses for railways etc. At present we are endeavouring to introduce our product for benzine filling hoses at the many tank stations etc.

The development in manufacturing tyres has been shown by the army forces in Berlin on the general motor car and motor cycle exhibition so that there is no need to talk on this topic here.

At present we are producing three kinds showing different qualities and being destined for different purposes:

- 1) Duna K 85 (a sodium polymersates.)
- 2) Duna S .,
- 3) Duna M .

The latter two products are emulsion polymersates.

#### Manufacture of synthetic caoutchouc in USA and Russia.

In USA Dupont has developed a process (see enclosure) which via 2-chlorine butadien by heating or by emulsion polymerisation is processed to duprene. Duprene also shows remarkable qualities and is rather cheap in producing. The manufacture of Dupont amounts at present to about 50 tons per month, which are readily taken by the American market at a price of \$ 1.-- per lb.

In Russia one is using a special process setting out from spirit on butadien and produces, as far as we know, with an overwhelming quantity the sodium polymerisate which might about respond to our Duna K 85. In 1935 already 20 000 t were produced. Apart from this the Russians not being hindered by any patents try to copy the product of Dupont "duprene" to which they have given the mark "Sowpron."

#### Working up of synthetic caoutchouc.

The working up in the rubber factories, particularly as far as tyres are concerned, still offers a great many difficulties which gradually will be overcome.

A few months ago the Continental works at Hannover have taken up the production in series of tyres of synthetic caoutchouc.

Carbon black for tyres.

The favourable qualities attained by adding a substantial quantity of carbon black to the natural rubber in the top surface of the tyre have given a considerable rise to the production of finest rubber black.

German total consumption of rubber carbon black at present 10-12000 t.  
Foreign exchange required about 5-7 000 000.— RM.

Owing to the giant quantities of natural gas at their disposal the Americans have an exceptionally cheap source for raw material at their disposal. In view of the incomplete combustion to carbon black the carbon of methane is only utilised to about 4%.

We ourselves being compelled to set off from relatively expensive products - naphthalene or acetylene - we have to deal with the difficult problem to simultaneously with an intense utilization of the carbon to produce a first class quality of carbon black. In Ludwigshafen we have the first black carbon plant working up naphthalene; this plant is working.

pto.

Translation

Buhrow/Baldamus

#### IV. Light metals.

##### 1.) Aluminium production.

The world's production of aluminium shows the following figures:

|                   | 1933 | 1934 | 1935 | 1936 |
|-------------------|------|------|------|------|
| U.S.A. and Canada | 55   | 49   | 62   |      |
| Germany           | 18   | 35   | 60   | 80   |
| Other Europe      | 63   | 85   | 95   |      |
| Japan             | -    | 1    | 3    |      |
| world             | 136  | 170  | 220  |      |

In the plant conjointly managed with the metal company in Bitterfeld we increase our production to 15,000 tons annually.

The sale price for aluminium is between 1.40 RM and 1.50 RM the kg.

The production of aluminium out in two phases:

- 1.) Production of pure alum earth ( $Al_2O_3$ ) from bauxite
- 2.) the thermal decomposition of alum earth to aluminium in electrical furnaces.

We, I.G. receive the necessary alum earth and execute only the second part of the process in Bitterfeld. Bauxite is a mineral chiefly existing of aluminium hydroxyde and is to be produced in Europe in great quantities, especially in Hungary and in France. In Germany the metal is to be treated in special factories - as described above - firstly on pure alum earth and then on aluminium metal. The amount of foreign currencies to be procured x) is only about 3% of finished aluminium. In spite of that, one tries to exempt from this import and one has developed x) for the bauxite, to be imported



different processes to gain alum earth from German kaoline, chiefly being aluminium iron silicates:

- 1.) In Griesheim has been tried in former years to attack alum earth with the help of hydrochloric acid.  
This process has been dropped.
- 2.) Bitterfeld, at this time, treats the attack with hydrochloric acid.
- 3.) The greatest chance offers the process, executed by the "Vereinigte Aluminiumwerke" conjointly with Goldschmidt.  
They use for the attack of kaolin sulphurous acid.

A larger test station is working since longer time in the "Leutawerke" and shall have given excellent results, so that there is a chance, of becoming entirely independent of foreign countries in aluminium within measurable time.

As aluminium can replace other metals especially copper in a high degree, there is paid great attention to the aluminium production, distinctly visible from the increase of the figures, alleged above.

Germany is to-day by far the greatest aluminium producer in the world.

Translation

Haag/Baldarus

3) Magnesium .

The second important light metal developed in Germany for a long time in a remarkable way (Dr. Ristor) is magnesium. In the beginning and at present also magnesium is partly produced of magnesit, a mineral, the purest form of which is natural magnesium carbonate ( $MgCO_3$ ) and which has to be imported from Austria. Natural magnesium carbonate by burning is changed into oxide ( $MgO$ ), as in the similar case of limestone, the oxide together with chlorine ( $Cl_2$ ) is converted to anhydrous magnesium chloride, this is changed in the electric furnaces by the recovery of the chlorine into magnesium metal. Only recently we employ processes proceeding from German raw materials:

- 1) the dolomite, a magnesium carbonate ( $MgCO_3$ ,  $CaCO_3$ ) and
- 2) the magnesium chloride lyes of Stassfurt, a by-product of the local salt industry.

For the future it will probably be possible to avoid the complicated way over magnesium chloride and achieve the same result by a thermal process. According works are proceeding in Bitterfeld.

3) Light Metal Alloys.

a) electron

This alloy, produced by us for some time and developed in its qualities and its workability more and more, mainly consists of magnesium with an addition of 6% of aluminium and a

little manganese.

b) hydronalium

In recent times we developed an allegation fast to sea water.

It consists of aluminium with an addition of about 5 % magnesium  
and small amounts of other metals.

Fin., 29.2.1936.

Translation

Mysing/Sippel

I.G.-waxes.

The I.G.-waxes which have been developed at Oppau are refining products of monten wax. Monten wax is obtained by the extraction of bituminous brown coal and is bleached with chromic acid. Thus processing a partial saponification of the monten wax takes place so that a mixture of about 85% fatty acids of high molecular content and about 15% ester of these acids with alcohols of high molecular content is obtained. By re-esterification of the fatty-acids of high molecular content with alcohols, such as ethylene glycol, butylene glycol (precaution!) etc. the different I.G.-waxes are obtained which are used for the manufacturing of floor-waxes, shoecream and glazes paper. The turnover of all waxes were

|                             | <u>Germany:</u><br>metric tons | <u>foreign countries:</u><br>metric tons | <u>total:</u><br>metric tons |
|-----------------------------|--------------------------------|--|------------------------------|
| 1928                        | 90                             | 51                                       | 141                          |
| 1929                        | 382                            | 246                                      | 628                          |
| 1930                        | 500                            | 500                                      | 1000                         |
| 1931                        | 592                            | 468                                      | 1060                         |
| 1932                        | 479                            | 499                                      | 978                          |
| 1933                        | 498                            | 457                                      | 955                          |
| 1934                        | 655                            | 584                                      | 1239                         |
| 1935 first six<br>month x 2 | 902                            | 708                                      | 1610                         |

In the first line I.G. waxes are thought as substitutes for the carnauba wax coming from the Brazil and as substitute for bee's wax. The import of carnauba wax in the years 1928 till 1934 was about -800 metric tons annually; this quantity has decreased to the half of it, i.e. 350-400 metric tons in 1935 and could decrease still further.

The prices of carnauba wax are very irregular; the quotations



Translation of  
DOCUMENT No. NI-8328-cont'd

for 1 ko. carnauba wax were

|                |          |      |
|----------------|----------|------|
| September 1928 | - RM     | 2.50 |
| "              | 1931 - " | 1.15 |
| July           | 1933 - " | -.95 |
| September 1934 | - "      | 1.70 |
| "              | 1935 "   | 2.20 |

Owing to their good qualities I.G. waxes have been sold well in foreign countries markets. The sale in foreign countries is about 40-45% of the sale in the home country. The foreign countries market is naturally strongly influenced by the quotations for carnauba wax. The present prices for carnauba wax being elevated the business transactions in I.G. waxes in foreign countries may increase.

The capacity of the plants at Gerathofen is about 2500 annual metric tons. An enlargement for 150 annual metric tons is planned at Oppau and already preliminarily authorized.

For the present the import of the I.G. wax EJ still causes difficulties on account of the low prices for bee's wax which are quoted at RM. 1.60 - 1.90.

|           |   |                        |
|-----------|---|------------------------|
| Import of | ) | 1934 - 842 metric tons |
| bee's wax | ) | 1935 - 897 " "         |

Tea - Buero  
9.3.36 Geo.

Translation Heese

P l a s t i c s

Linseed Oil

|   |            |              |
|---|------------|--------------|
| 1933  | Production | 117 000 tons |
| Use in the lacquer industry                             |            | 69 000 "     |
| turnover of the German lacquer industry:                |            |              |
| Linseed oil varnish and standoil                        |            | 3 400 "      |
| clear oil lacquers                                      |            | 22 000 "     |
| Oil lacquer paints                                      |            | 27 200 "     |
| oil paints  |            | 15 200 "     |
| anti-corrosives   |            | 8 000 "      |
| Nitrocellulose lacquers                                 |            | 10 000 "     |
| other cellulose lacquers                                |            | 900 "        |
| spirit lacquers   |            | 4 000 "      |
| There are two kinds of lacquers in the lacquer industry |            |              |
| 1.) Oil lacquers  |            |              |
| 2.) Oil-free lacquers.                                  |            |              |

The oil lacquers consist of a mixture of a resin with drying oils (linseed oil, wood oil). The oil-free lacquers are solutions of resin or highly molecular matters in organic solvents. After the war a very strong development of oil-free, especially nitrocellulose lacquers, began. At the same time the research work on the substitution of natural resins by synthetic resins, the development of which latter had been started during the war for want of raw material, was continued. Leading in the field of the artificial oil lacquer resins was the firm of Albert, Diebrich, which was the first to develop the so-called

"Albertols" by esterification of colophony with glycerine and phenol-formaldehyde-pre-condensates. In the last years I.G. put on the market the first oil-soluble resin of high value, the KM-resin, a condensation product of colophony with maleic acid and glycerine, the turnover of which has already passed 100 t per month, and is still further increasing.

A very rapid increase showed the oil glyptals, in which the resin component as well as the oil component is chemically bound. They are manufactured by condensation of phthalic acid with glycerine and oleic acid (linseed oil, wood oil- and castor oil acid etc.) and are marketed under the name "Alkydal".

The content of oleic acid in the Alkydals is, compared with the pure oil lacquer resins, very small, so that by the use of the Alkydals in the lacquer technique a considerable saving of foreign bills is achieved. The capacity of the I.G. plants at Uerdingen is 650 t per month - 7800 t a year and shall be increased to 1000 t a month - 1200 t a year.

Similar products are made by: Albert, Beck-Koller, Hamburg, and Blumer, Zwickau.

Translation Heese

The above synthetic resins still contain natural products, such as colophony and oleic acids. The constitution of highly molecular bodies with resin character was also reached on a purely synthetic way, so for instance by condensation of phenol with formaldehyde (Novo Lacquer), urea with formaldehyde (Plastopals), of cyclo hexanon with addition of sulphuric acid (AW<sub>2</sub> resin).

These are typical for the condensation resins, with which the formation of highly molecular compounds is caused by separation of water. Another group were the polymerisation resins, which are formed by polymerisation with a double-linking. To these polymerisation resins also belong the Poly-acryl-acid-ester resins and the Mowilithe (Polyvinyl acetate).

These latter products have conquered in the lacquer field only a small part, whereas the phenol-formaldehydes and urea formaldehydes condensates are widely used as Bakelite and Polloplas in the industry of plastic masses. Owing to their good isolating properties they are today specially used in the electro industry. The development of these products was not pushed by Germany, but by U.S.A., and was started already before the war so that it need not be treated further here. Also the plastics on cellulose basis, especially celluloid (Nitro-cellulose and camphor), collon (acetyl-cellulose), vulcan fibre (cellulose and zinc chloride) and collophan (viscose) may only be mentioned because of their time of development dating back a longer time.

In latest time the plastics, especially on basis of polymerisation products, gain more and more interest, in the first line the following three products:



Polystyrol, M.P.-Material (mixed polymerisate of Vinyl chloride + acryl acid ester - precaution 1) and P.O.-Material (Polyvinyl chloride). WHICH HAVE THE ADVANTAGE OVER CELLULOID OF THE SEAVY INFLAMMABILITY and over the other plastics of the considerably better isolating properties. These products are expected to have a large development. They are used for articles of daily use (combs, toothbrush handles, dogs etc.) instead of celluloid as substitute of ebonite in the electro-technique, as cable isolating compounds, instead of leadcables, in apparatus building as substitute of metals and for many other uses. I.G. is leading in the territory of these polymerisation resins. Furthermore are working on these products the firms of Roehm & Haas of Darmstadt and Wacker of Munich. Abroad in the first place U.S.A. (Dupont, Carbid and Carbon, Shavinigan), then England (I.O.I.) and France (C.M.O.) are engaged in this problem.

The capacity of the I.G. plants is for:

|               |               |
|---------------|---------------|
| Polystyrol    | 900 tons p.a. |
| M.P. Material | 1550 " "      |
| P.O. "        | 240 " " .     |

Translation.  
Haag / T. Schuppener

VII. plant protectors.

The yearly losses by plant diseases and parasites in Germany are estimated as follows:

|                   |                   |   |   |
|-------------------|-------------------|---|---|
| grain .....       | 788 million marks |   |   |
| potatoes .....    | 438               | " | " |
| vegetables .....  | 70                | " | " |
| sugar beets ..... | 37                | " | " |
| fruits .....      | 120               | " | " |
| wine .....        | 32                | " | " |

summed up 1.5 milliards - 18.6% of the value of the total crop amounting to 6.5 milliards.

1.) Corrosives for grain.

The losses of the german grain crop that can be avoided by the use of corrosives are estimated at about 600 million marks annually.

Since Leverkusen in 1915 for the first time brought Uspulun, a chlorophenol mercury preparation, on the market, we have worked in this field intensely. Our newest dry - and wet corrosives are also mercury preparations, but the mercury content has been reduced to such an extent, that the foreign currency needed compared to the enormous advantage produced by these products plays no decisive part.

To-day we are absolutely leading in this field and we hope by effective advertising to have all seeds corroded and thus help essentially to achieve the german food independence.

2.) Combating animal parasites

After having safeguarded the crop its conservation is of equal importance.

With Areginal (Methylformiat) we brought a product on the market, which is used for gasifying large grain stocks - especially those of the Reich in order to protect them against the corn weevil. Also other firms have brought excellent preparations on the market, for example the ethylene oxide of the firm Degesch. In the most recent times we developed preparations, that are far more effective than Areginal. Of these preparations methanesulphurfluoride (Leverkusen) is the most effective.

For combating rodents especially field-mice, our product "ZELLIO" a Thallium-preparation, has been on the market for a long time, which has proved very successful. But we hope to be able to replace by newer organic products this preparation also.

### 3.) Viniculture and fruit-culture.

The values at stake in this field are much smaller than those in the field of cereal culture and potato and beet culture as can be seen on the table. For combating peronospora, hay-worm (phyloxera) blue vitriol has been used from ancient times, we have made some progress by producing copper oxide chloride from the copper lyes available at the copper works and not indirectly by the way over metallic copper, and can thus compete with the cheap blue vitriol. In this field also we are working to find organic preparations, free of metals, for which "Devise" (foreign currency) will not be needed.

Translation  
Zuebert /Michel

VIII. Production and consumption of Nitrogen in Germany.  
-----

|                          | in 1000 metric tons N |                    |             |       |
|--------------------------|-----------------------|--------------------|-------------|-------|
|                          | Fertilizer<br>Inland  | Nitrogen<br>abroad | techn.<br>N | Total |
| 1928/29 highest<br>level | 410                   | 250                | 40          | 700   |
| 1931/32 lowest<br>level  | 310                   | 160                | 30          | 500   |
| 1935/36 pre-estimation   | 470                   | 70                 | 40          | 580   |

The German requirement in Nitrogen for fertilizing purposes is at present on an increase owing to the combined efforts of the Reichsnachstand and the nitrogen producers and may reach already during the current year the figure of 440-450 000 metric tons. For 1935/36 at least the stated figure of 470 000 will be arrived at.



Translation  
Schmitt

IX. P h a r m a .

In the eighties of the last century our medicaments consist almost exclusively of natural products. About simultaneously with the prospering of the dyestuff industry a synthetic production of organized products began. Examples: Sulfonal (Baumann), antipyrin (Knorr), phenacetine (Duisberg & Hinsberg). Recently a change took again place a demand "back of nature", which led to the investigation of many valuable medicinal substances contained in plants and animal bodies, and which could be produced synthetically during the last years. In the first line the vitamins and hormones must be mentioned. A whole series of these products have been produced in crystallized form, in which production German chemists participated together with Americans and Englishmen. The best-known product will no doubt be the so-called Vitamin D, which was put upon the market <sup>by Merck</sup> and I.G. under the designation Vigantol, and which is of excellent service in combating the wide-spread rachitis.

Besides the investigation and synthetic production of the natural products, however, also the synthetic production of novel medicaments has not been neglected. In this field the I.G. was particularly active. 4 very valuable products must be mentioned, which, however, are all used in tropical or subtropical countries and thus are of greater importance for other peoples than for us, as we are not in the possession of colonies for the time being. In the first place Germanin must be mentioned, the only means for combating successfully the coma. Furthermore the Neostibosan, an excellent medicament for combating the Kala-azar, a disease chiefly raging in India and China, which causes a swelling of lien and liver and often leads

to death. Neostibosan is a non-poisonous antimony preparation, which was developed by us in long years' work; every year hundreds of thousands of men are preserved from death or a long invalidism.

Almost of still greater importance are Plasmochin and Atebrin, which are of excellent service in combating malaria which they combat every year in millions of cases much more successfully than the hitherto generally applied quinine. Plasmochin is a quinoline, Atebrin an acridine derivative. Both products were developed in long years' work by our Elberfeld works, where further progress in this field may be expected.

Whereas it is very difficult to express the values accruing to the national economy by preserving the human health in million marks, this possibility is given in the case of epidemic diseases of animals. Conclusions can be drawn therefrom with regard to the high value which the German pharmaceutical research work creates and preserves for the whole world.

The live stock in Germany is estimated to have a value of 10 milliard marks; just as high is the value of the yearly production of the German live stock economy, and if one is now informed that we have succeeded to combat successfully epidemic diseases, such as hog-cholera, by suitable vaccines, and that we have further succeeded to prevent entirely the murrain of horses by applying our Neosalvarsan, one can easily understand that by these three medicaments every year hundreds of millions are preserved to the German national economy. It must still be mentioned that the German pharmaceutical industry supplies the major part of its production to foreign countries and in this way is of greatest importance for procuring foreign bills for the Reich.

Translation

Haag/Sippel

X. ) Dyestuffs and auxiliaries.

Besides the development in the new fields the most important old field of dyes chemistry must not be forgotten. At present dyestuffs produce the greatest amount of "Devisen" (foreign currency); still today 70% of the German productions of dyestuffs goes abroad.

The total world production may be estimated at a value of 800 million goldmarks. Our share of this amount still runs up to approx. 40%. If we, inspite of the propressing industrialization, succeeded in keeping up this high quota, it is due to a great extent to our scientific research work besides the alertness of our merchants and the efficiency of our workmen. 700 chemists work in this field about 400 of them do exclusively scientific research work in the laboratories. The research works in the laboratories enabled us to replace 20% of the old dyestuffs by newer and better products, which over and over again secured us a prominent position on the world market.

On the field of auxiliaries Germany is leading also; besides J.G. a number of other firms work in this field very successfully.

The auxiliaries "Gardindole" produced by the firm Boehme and "Igepon" produced by I.G. can be used for all sorts of textile purposes and are known and used in the whole world. With the different "Eulan"-brands Germany has products on the market which base on decades of research work and enable combating all damage done by moths. The value thus saved for the German national property, and which by an even more extensive use of these products can be saved, amount to many million marks annually.

since about half a year and is able to cover 1/10 of the German rubber carbon black. For the time being the prices are double as high as those for the American product. Further experimental work is going on in Ludwigshafen, Oppau and in Piesteritz; this seems to be nearly too much for a problem which from the chemical point of view does not appear to be very interesting.



A f f i d a v i t

I, Dr. ERNST STRUSS, Director of I.G. Farben, Chief of TEA Bureau of I.G., Secretary of the Technical Committee of the Vorstand of I.G., Manager of Division II (Sparte II) of the Vermittlungsstelle W, and, since 1943, Production Manager for the entire German dyestuffs industry within the framework of the Economic Group Chemical Industry, after having been warned that I will be liable for making a false statement, state herewith under oath, of my own free will and without coercion, the following:-

At the request of Professor Selok, formerly in the Vorstand and later on in the Aufsichtsrat of I.G. Farben, I prepared for him a number of speeches on various chemical products. This was, if I remember correctly, in the year 1936 and following years.

I have been shown and have carefully examined the photostats of an English text, consisting of 25 pages, with the following headings:-

- I. Fuels
- II. Artificial Silk and Staple Fibre
- III. Synthetic Caoutchouc
- IV. Light Metals
  - I.G. Waxes
  - Plastics
- VII. Plant Protectors
- VIII. Production and consumption of Nitrogen in Germany
- IX. Pharma
- X. Dyestuffs and Auxiliaries.

This document is a true and faithful translation of my aforementioned drafts for speeches, and the beforementioned speeches are completely translated.

Said document is attached to this affidavit and made a part thereof by reference. I have signed each page of the document at the back concurrently with the execution of this affidavit.

A f f i d a v i t

I, Dr. ERNST STRUSS, Director of I.G. Farben, Chief of TEA Bureau of I.G., Secretary of the Technical Committee of the Vorstand of I.G., Manager of Division II (Sparte II) of the Vermittlungestelle W, and, since 1943, Production Manager for the entire German dyestuffs industry within the framework of the Economic Group Chemical Industry, after having been warned that I will be liable for making a false statement, state herewith under oath, of my own free will and without coercion, the following:-

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- X. Dyestuffs and Auxiliaries.

This document is a true and faithful translation of my aforementioned drafts for speeches, and the beforementioned speeches are completely translated.

Said document is attached to this affidavit and made a part thereof by reference. I have signed each page of the document at the back concurrently with the execution of this affidavit.

I have carefully read each of the 25 pages of the document and the two pages of this declaration and have signed them personally.

I have made the necessary corrections in my own handwriting and initialed them and I declare herewith under oath that I have given the pure truth to the best of my knowledge and conscience.

gez. Unterschrift

DR. ERNST STRUSS

Sworn to and signed before me this 30 day of May 1947 at Frankfurt Main by Dr. Ernst STRUSS known to me to be the person making the above affidavit.

gez. Unterschrift

Dr. OTTO HEILBRUNN  
Civilian, ETO 30140  
Office of Chief of Counsel  
for War Crimes  
U. S. War Department.

" A CERTIFIED TRUE COPY "

- 32 -  
END

87

AFFIDAVIT

I, Dr. Werner Hagert, present domicile Hilchenbach in Westphalia, Gerberstrasse 168, from 1937 to 1939 consultant in the Mobilization Department of the Economic Group Chemical Industries, after having been warned that I shall be liable to punishment for making a false statement, herewith declare the following under oath of my own free will and without coercion:

1. The entire plan of the tasks of the Four Year Plan dated 27 May 1937 were shown to me. This document bears the number EC-201.

2. On page 16 of this document the Mineral Oil Plan is to be found, recording the existing output-capacities in this field and the projected extension of output-capacities under the Four Year Plan for each factory in question within Germany.

3. The Mineral Oil Plan differs from all projected undertakings of the Four Year Plan by the fact that, in addition to peace-time planning it also includes planning for the case of mobilization i.e. in the event of war. The mobilization plan is adjusted to requirements in the year 1938.

4. Mineral Oil Plan estimates on 27 May 1937 (quantity in 1000 tons):

|  |        |                     |
|--|--------|---------------------|
| normal production                            | 1938 - | 5 432,8 tons a year |
| and normal requirements                      | 1938 - | 4 990 " " "         |
| normal production in case<br>of mobilization | 1938 - | 5 559,3 tons a year |
| and requirements in case<br>of mobilization  | 1938 - | 5 695 " " "         |

Thus it follows that normal production under the Four Year Plan exceeded normal requirements by about 10%. Furthermore it follows that the Mineral Oil Plan provided for meeting the mobilization requirements to the extent of almost 96%.

5. In the following summarized form the Mineral Oil Plan shows the following requirement and production figures for peace-time (Normalfall) for the event of mobilization (quantities in 1000 tons):

(page 2 of original)

| Requirements for: | peace-time: 1938 | Event of mobilization:<br>1938 |
|-------------------|------------------|--------------------------------|
| Motor-cars        | 2 675            | 1 630                          |
| Aircraft          | 30               | 600                            |
| Diesel oil        | 1 200            | 1 500                          |
| Fuel oil          | 550              | 1 400                          |
| Lubricants        | 485              | 565                            |



(page 2 of original, cont'd)

| Production | Peace-time: 1936 | Event of mobilization:<br>1938 |
|------------|------------------|--------------------------------|
| Motor-cars | 3 003,5          | 1 905,5                        |
| Aircraft   | 80               | 600                            |
| Diesel oil | 1 115,1          | 1 324,1                        |
| Fuel oil   | 599,2            | 1 044,2                        |
| Lubricants | 485              | 455,5                          |

In both these tables the output capacities in existence on 1 January 1937 and the projected plants have been included.

As may be seen from the above tables, for the event of mobilization a considerable increase of production and requirements in mineral oils have been provided for aircraft and further increases in requirements for diesel oil, heating oil, and lubricants arise therefrom. These increases were planned at the expense of the mineral oil requirements for motor-cars.

In detail the increases are as follows:

|                | Requirements: | Production: |
|----------------|---------------|-------------|
| for aircraft   | 650 %         | 650 %       |
| for Diesel oil | 25 %          | 19 %        |
| for fuel oil   | 155 %         | 74 %        |
| for lubricants | 17 %          | 6 %         |

6. The participation of I.G. and its licensees in the expansions provided for by the Four Year Plan and based on the above figures with the intention of meeting the increased requirements for mineral oil in the event of mobilization was as follows:

(page 3 of original)

|                |      |        |
|----------------|------|--------|
| for aircraft   | with | 100 %  |
| for Diesel oil | "    | 36,4 % |
| for fuel oil   | "    | 83 %   |
| for lubricants | "    | 46 %   |

These figures were arrived at as follows (quantities in 1000 tons a year):

|            | Works exist-<br>ing on 1 Jan 37 | Projected Works:<br>Total | I.G. share<br>I.G. | I.G. share<br>in % |
|------------|---------------------------------|---------------------------|--------------------|--------------------|
| Aircraft   | 393,6                           | 206,4                     | 206,4              | 100                |
| Diesel oil | 624,8                           | 699,3                     | 605                | 86,4               |
| Fuel oil   | 275                             | 769,2                     | 680                | 88                 |
| Lubricants | 325                             | 130,5                     | 60                 | 46                 |

I have carefully read each of the 3 (three) pages of this declaration and counter-signed them with my own hand, I made the necessary correction in my own handwriting and initialled them with the first letters of my name and I herewith declare under oath that I have told the absolute truth in this affidavit to the best of my knowledge and belief.

signature: DR. WERNER HAGERT  
DR. WERNER HAGERT

TRANSLATION OF DOCUMENT No. NI-9513  
CONTINUED

(page 3 of original cont'd)

Sworn to and signed before me this 12th day of August 1947 at the Palace of Justice, Nurnberg, Germany, by Dr. Werner Hagert, known to me to be the person making the above affidavit.

signature: DR. OTTO HEILBRUNN  
ETO 30145  
Office of the Chief of Counsel  
for War Crimes  
US War Department.

CERTIFICATE OF TRANSLATION

29 August 1947

I, ARTHUR MACMARRA, Civ.No.20191, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of the document No. NI-9513.

ARTHUR MACMARRA, Civ.No.20191.

- 3 -  
"END"

9a

THE FOUR YEAR PLAN

Journal for National Socialistic Economic Policy  
with the official notifications of the Commissioner  
for the Four Year Plan,  
Minister-President Generalfeldmarschall GOERING

Publisher: Dr. Erich Gritzsch / Chief Editor: Dr. Kurt PETERSEN,  
Successor to Franz UHR, G.m.b.H., Central Publishing House of  
the NSRP, Berlin SW 68

Issue

Berlin, February 1938

and Volume

The strongest concentration of all political, military and economic forces, ordered by the Fuehrer and united in his hands, imperiously demanded measures which make secure a uniform direction of the economy. The most important supposition in this respect was fulfilled by the incorporation of important fields of tasks pertaining to the Four Year Plan into the Ministry of Economics and by the entire reconstruction of this ministry, the most significant one for the economy, which was thus achieved. From now on the organs of the Four Year Plan and the newly set-up Reich Ministry of Economics as well as all other departments concerned represent one uniform whole under the supreme direction of the Plenipotentiary for the Four Year Plan. Thenceforth the path has been smoothed as never before for the full unfolding of all economic forces. Their concerted effort under a uniform direction guarantees the great aim of the Four Year Plan: the freedom and independence of the nation.

signed: Hermann GOERING

(page 68 of original)

Fritz LOEB

#### The German Mineral Oil Industry

The decisive importance of the mineral oil industry for the existence of every state is acknowledged. In Germany the Fuehrer ordered increased motorization immediately after his accession to power. It was initiated by beginning the construction of the Reich-Autobahn and by a taxation policy favoring motor vehicles. In the course of further development it soon seemed intolerable that the motorization in the Wehrmacht and in the economy should continue to depend on foreign countries to the same extent as before. The previously introduced measures for increasing the German mineral oil production proved inadequate in face of the great demand. It is true that sufficient raw materials, suitable processes - partly ready for use, partly in the developmental stage - as well as private initiative, ready to serve, were available. Also, the technical and economic assumptions were clarified by outstanding pioneering work on the part of the industry. The overall task was, however, quite extraordinarily voluminous. Its industrial solution presented so many difficulties that it could not have been achieved in the ordinary manner by the private industry itself within the period appropriate to the urgency of the problem and the vital national requirements. Rather it was necessary to compress the total development into the shortest possible space of time.

The extensive and thorough reorganization of the mineral oil industry which this entailed was bound at the same time to have a permanent disadvantageous effect on the entire national economy and military potential. Mismanagement and neglects owing to inadequate assessment of individual measures therefore would have to produce particularly serious consequences there. This exceptional significance made it necessary to allot to the mineral oil industry a special place in the Four Year Plan.

#### Aim and Significance of the Mineral Oil Plan.

The great goal for the expansion of the German motor fuel supply can be clearly outlined in a few words: Meeting the vital motor fuel, fuel oil and lubricant requirements of German industry out of German raw material sources in domestic processing plants; and drawing on the best and most modern technical processes known at the present time, applied according to a comprehensive master plan.

The result of the planning may be summarized briefly as follows: Thanks to the German mineral-deposits and the processes developed by the German chemical industry in conjunction with the mining industry the German motor fuel supply is possible on a domestic basis. This applies also in view of the anticipated increased demand which will develop in the coming years, the level of quality being fully maintained.

The extent to which the motor fuel demand can be met out of domestic production is dependent entirely on the decision to invest the necessary capital, on the corresponding allocation of labor and structural steel for erecting the new production plants and on the allocation of experts as managers.



(page 68 of original, cont'd)

A particular difficulty in this mineral oil planning lies in the continuous lively growth of the demand caused by the consciously furthered motorization and the general economic boom (Wirtschaftsaufschwung). In view of the several years required for preparation and construction the planning must, consequently, take into account a future demand which can merely be estimated.

Before discussing in detail the questions of raw material, the processes used in production and the results of the planning, let us consider the factors which led to calculating the requirements of the coming years and thus determined the target for the various individual sections.

This concerns not only the quantitative requirements but also involves the especially important questions of quality which are of decisive significance in the choice of the production processes.

#### Development of Demands.

The starting point for the planning was constituted by the internal supply position of the year 1936, i.e. at the beginning of the Four Year Plan. In 1936 42 per cent of the total demand was met entirely out of home production, 8 per cent by the refinement of foreign crude oil. There remained, consequently, a direct import need of 50 per cent.

#### Lubricating oil, Fuel oil, Paraffin

In estimating the future demand the factors which decide its nature must be approximately taken into account. For lubricating oil, the consumption of which depends essentially on the degree of the general economic activity, an approximate estimate may be made with comparative ease. In the case of fuel oil and paraffin, the appearance in the future of new great consumers has to be reckoned with, apart from the fulfilment of the requirements for well-known purposes which are already present and which scarcely fluctuate. Shipping makes certain demands for fuel oils, while the chemical syntheses of lubricating oils and fatty acids, to which reference will be made later, must be considered as new consumers of paraffin.

#### Gasoline and Diesel Power Fuel.

More difficult is the estimate of the demands for carburettor and diesel motor fuels. The demand depends essentially on the number of motor vehicles and stationary and movable power plants in use, as well as on their specific consumption and their working period. Data on the increase of vehicles, the specific consumption of the individual groups and their average mileage per year thus constitute the basis of estimating the prospective requirements, provided, however, that the proportional relationship of the means of power (gasoline, diesel motor fuel, propellant gas, etc.) remains unaltered. In addition, the requirements of the developing Wehrmacht must be considered.

(page 68 of original, cont'd)

Relationship between Diesel and Carburettor Engine.

Thus the development of the types of propulsion is also of essential significance for the further shaping of motor fuel requirements. In particular the question is involved as to how far the diesel engine will assert itself with respect to the carburettor engine (Otto-motor). Since one assumes that the diesel engine consumes 20 to 30 per cent less motor fuel than the Otto motor for equal performance a considerable reduction in the gasoline requirements could be achieved by a strong shift in favor of the diesel engine. The enormous increased use of the diesel engine is shown by the fact that whereas only 500 diesel vehicles existed in 1931, more than 60,000 utility vehicles were driven by diesel engines on 1 July 1937. The German stock of diesel vehicles exceeds that of all other countries. This is partly due to the price difference between diesel motor fuel and gasoline. In Germany this price difference is extremely favorable to the diesel because of an especially advantageous duty rate on the diesel motor fuel used in the trade, and because of the differences in the tax load and that brought about by the admixture of alcohol.

(Page 69 of original)

The difference in duty between gasoline and diesel motor fuel, including the extra charge for packing, has increased from 5.94 RM to 17.49 RM per 100 kilograms, since 1930. The motive for these tax measures lay in taking into account the export of diesel vehicles and utility engines, as well as the domestic requirements of the Wehrmacht, trade and agriculture.

Future development will also depend on the price regulations. In England, where prices for diesel motor fuel are approximately those of gasoline, the development of diesel engines is less intensive. Here the drawbacks in comparison with the carburetor engine are also more apparent, namely higher initial costs and the sensitivity of the injection organs. The licence statistics show that among the heavy cars, the diesel is steadily pressing forward. In this field of use the diesel engine will probably maintain its secure position also in the future.

In view of the increasing lack of labor within the agricultural economy, it will become necessary to make additional use of mechanical auxiliaries, such as tractors, operated by cheap fuels. Besides the incandescent plug engine ("Gluehkopfmotor") the diesel engine deserves primary consideration for these purposes.

Also the requirements of the Wehrmacht will influence the future structure of demands, in case of a further spreading of the diesel engine.

From all these facts, it may be concluded, that no fundamental shift in the ratio between carburetor and diesel engines is to be expected in the near future. Both types of engines will be used increasingly side by side, each one in the field for which it is particularly fitted and economical. Even a certain increase of price for diesel motor fuel would not change matters.

On the basis of the consumption thus far and certain supposition regarding the future increase, the quantities of gasoline and diesel motor fuel required have been estimated for the final goal of the plan. It must be pointed out, however, that the development is not finished, nor will it happily ever be finished, as improvements of technical processes may be expected right along.

In this connection it is of interest, to make a few remarks concerning the motor fuel situation with reference to the people's car ("Volkswagen"). Considering the fact that ample carburetor motor fuel will eventually be available and the methods now available will, in the near future, always produce considerable portions of gasoline, in addition to the other products, such as fuel oil or paraffine, gasoline is the suitable motor fuel for an additional motorization. The people's car has actually reached a very promising and interesting state of technical development. During the interim period of its large scale production and during the first years of its introduction, the necessary reserves of gasoline will be made available to the program for the production of mineral oils, particularly since the considerably decreased



(Page 59 of original, cont'd)

consumption of the cars which is due to the Reichsautobahnen, can also bring about a certain reserve. Only after the people's car has reached its final goal, will it make very substantial additional demands on a large scale. These demands for additional motorization can then, however, be satisfied, without any technical difficulties, by an additional planning in the further development.

The planning must aim at creating the foundations for the transition period of the next years, which is predictable to a certain degree. In this connection we are firmly convinced that our chemists and engineers will solve the future problems of mineral oil supply in the same way, in which they showed us the solution of existing problems.

#### Medium-pressure Fuel Injection Motor

If the medium-pressure fuel injection motor - for example according to Hesselmann - were more generally used in Germany, this could result in influencing the required quantity of motor fuel for carburetor and diesel engines. As regards design and demands on consumption and quality of motor fuel, it stands midway between the diesel and the carburetor engine. However, it would probably present no particular difficulties here, if necessary, to produce gradually increasing quantities of heavy gasoline or light diesel motor fuel for the Hesselmann engine, in the plants which were provided for the production of carburetor and diesel motor fuels. The further development of such engines is an important task, whose solution has to be pushed under all circumstances. Its results can be fitted in to the mineral oil plan, without technical difficulties.

#### Reichsautobahnen.

The influence of the Reichsautobahnen on the further development of motor fuel requirements must be considered in this connection too. They have already attracted a considerable part of the traffic and created new traffic. They are going to be increasingly effective, when the meshes of their net are closed during the next few years. It remains to be seen, whether the well known specific lower consumption of carburetor and diesel cars on the Reichsautobahn or on the other hand, the traffic increase to be expected will have a reducing or increasing effect on the total consumption. It has been assumed in the planning that surplus demand and savings with regard to the Reichsautobahnen, will practically equalize themselves, so that the increasing surplus demand of the next few years follows from the calculations of the increasing stock of motor vehicles.

In order to utilize to the full the tremendous and initial advantages of the Autobahnen, the automobile industry must now be required to turn quite generally to the manufacture of Autobahn-fit types of cars, which, with a minimum consumption of fuel and simultaneous control of the lubricating oil temperature and by



(Page 69 of original, cont'd)

utilization of all possibilities, to which belongs primarily the stream-line shape of the body, attains as high a degree of economy as possible.

#### Estimate of the Total Demand

On the basis of the considerations mentioned the Office for German New Materials and Plastics has drawn up an estimate of the total mineral oil requirement for the final goal of the planning, taking into account the increasing motorization. We suppose that up to the final goal of the planning, consumption will rise, compared to 1936, to the following extent:

|   |     |
|---|-----|
| in the case of carburetor motor fuels by approximately  | 33% |
| in the case of diesel motor fuels (taking into account the smaller initial quantity) by approximately | 50% |
| in the case of lubricating oil by approximately   | 25% |

#### Questions Regarding Quality

In addition to providing the quantities necessary to satisfy the demand for mineral oil products, the planning has to pay special attention to the quality of the products to be produced. It is absolutely necessary to supply the main consumers of mineral oils, namely the carburetor and diesel motor fuel engines, also in the future with motor fuels, which guarantee a technically sure operation to the available engines, with full maintenance of the performance. On the other hand naturally that engine is the more valuable from the technical point of view, which is less sensitive to fuel quality of any kind. In quite a general way attention must be called now already to the viewpoint of expedient quality. Just as other economic branches do, so also the field of mineral oils must adapt itself, in its larger points of view, to the German motor fuel conditions. It would be senseless, to adjust the development of engines to particularly high-grade motor fuels, which may possibly be supplied to us by foreign countries in certain quantities, but which the German fuel economy could not produce at all, or only in an uneconomical way. On the whole the German engine should correspond to the German fuel, even though in special fields

(page 70 of original)

the demand for motor fuels of higher performance and quality will continue and can be met.

#### Gasolines

Particularly evident is the question as to quality when judging gasolines. Here, in addition to the various tests for boiling point behavior and purity, storage qualities etc., the calorific value and the anti-knock quality are of great importance. The standard of anti-knock quality is the octane number. A higher octane number makes possible a higher compression of the motor and with it, greater performance of the motor and at the same time smaller fuel consumption for the same work.

In Germany octane numbers from 73 - 76 (CFR - Research method) are customary for automobile gasoline. By far the largest part of vehicle motors operated in Germany get along with the octane number 73 - 74. Only a comparatively small number requires a higher octane rate of about 80. In view of these highly compressing motors, taking into account the trend abroad, to gradually increase the octane number the question arises whether the advantages of the high octane number are great enough to justify the additional cost in connection with the production of gasoline with greater anti-knock qualities, or, in short: Is there an economic optimum of the compression ratio?

The optimum must be considered from two different points of view, from the motor and from the motor fuel angle. On the part of the motor an improvement in regard to performance and consumption can be determined because of the high compression and a deterioration with respect to the mechanical efficiency. With more than sixfold compression the efficiency of carburetor motors increases only slightly yet. On the other hand, a particularly high octane number becomes unproportionately much more expensive. The motor itself must be constructed so much more stable, in order to sustain the great pressure demands, so that from a certain compression on up, the additional costs on one side, counterbalance the savings on the other hand.

The reciprocal increase of engine demands and fuel quality, which is healthy in itself, should by no means be disrupted, but it must be kept within the course laid down by the broad view points of the German raw-material economy.

In connection with the question of anti-knock quality, a few words must also be said about the most important anti-knock agents, lead tetra-ethyl and iron carbonyl. Anti-knock agents bring, corresponding to the octane number increase effected by them,

(page 70 of original, cont'd)

motor fuel savings in more highly compressed motors. However, the additions are only possible up to a maximum limit, since above that there are disturbances of spark-plugs and exhaust-valves. At any rate, these maximum limits, which, by the way, may be altered through corresponding changes on the motors (special valve steels, more frequent change of spark plugs, etc., are, in the case of lead tetra-ethyl and presumably also in the case of iron carbonyl, such that by the addition of these anti-knock agents, the octane number of 73 - 74, using the customary basic-gasolines with the octane number 63 - 64, may be maintained.

#### Diesel Motor Fuel

For Diesel motor fuel also, the question of quality plays an important role. The discussions of the last years on that question, were not without gross misunderstandings. A basic distinction must be made between the slow running large Diesel engines which consume almost every tar oil and the rapidly running little Diesels, including the Diesels for vehicles. However, the large Diesels require only a small share of the total requirements, amounting to about 100,000 tons per year, an amount, which can presumably be made available at any time from suitable domestic products.

The rapidly running "little and vehicle Diesels" make demands of their fuel, which in octane rating, for instance, are probably mostly surpassed by imported Diesel motor fuels, but which (demands) can just be attained in regard to other characteristics, such as the solidifying point, the filtering capacity, the viscosity, etc. Future German Diesel motor fuels must therefore not show any lowering of quality on these latter counts. On the other hand, a decrease of the octane rating to about 45 - 50 may be permissible in the case of the modern Diesel engines.

However, the motor industry will rightfully not be inclined, to service its rapidly running Diesels with comparatively easily coking products, such as heavy tar oils, pitch solutions and similar substances. Of course it is desirable that the producers of vehicles endeavor to decrease the demands on Diesel motor fuel by development of the engine. But the fuel producers on their part should recognize it as their aim, to produce a qualitatively satisfying diesel motor fuel which can be uniformly produced on a large industrial scale. Improvisations, such as the mixing of good diesel motor fuels with low-quality or even inferior oils, cannot be satisfactory.

#### Fuel Oil.

The meagre need of fuel oil at home, is easily covered by the already existing petroleum and tar-oil processing. For the larger amounts, however, which in future must be made available for shipping, the question as to quality is again of dominating importance. The petroleum industry faces the task of delivering fuel oils, which in regard to calorific value, viscosity, flash point, storage quality, and especially in regard to their ability, to mix with the customary ship fuel oils of different



(page 70 of original, cont'd)

origin, must wholly meet all demands. The fuel oils made from coal-coking tar present difficulties here. The fuel oils made from lignite tar, which are now already being consumed in large amounts, and the new coal extract hydrogenation oils, meet those requirements. The coal distillation tars which must also be drawn on in the future, must try to adapt themselves to these qualities.

#### Lubricating Oil.

The quality demands to be made of lubricating oils for the most varied uses are known up to a certain degree. A flat temperature viscosity curve (high viscosity index), good coking test, etc. are being demanded, to an increasing degree for the improvement of engine operation. Simultaneously, however, it is also expected that the motor industry remove still existing structural defects in the engine lubrication. The keeping away of mechanical impurities of every sort through thorough design of air filters, oil cleaners, and also adequate cooling of the engine oil, the installation of forced oiling by means of pumps, are, for instance, measures which contribute considerably to guaranteeing perfect lubrication, and thereby making the German motors still more foolproof, longer lasting and above all also more suitable for the Autobahn.

#### Paraffine

The current paraffine requirements are covered almost entirely in satisfactory quality by the lignite tar and petroleum industries. This condition will also not be essentially altered in the future. The newly appearing users, such as the lubricating oil synthesis from paraffine and paraffine oils and the paraffine oxydation, make comparative high demands on their raw materials. But by cooperation between producers and consumers, the demands will presumably be synchronized with each other without particular difficulties.

#### German Raw Materials

The need, characterized according to amount and quality, is covered by the following raw materials:

#### Petroleum

The most favorable raw material for simple processing by means of distillation, the German petroleum, is available only in a modest quantity, compared to the need.



(page 71 of original)

For the guarantee of a certain amount of production the oil industry must do timely prospecting, in order to replace basins with decreasing production by production from new occurrences(wells). Since the assumption of the risk connected with prospecting will not always be possible for the industry, drilling subsidies are granted by the state in the Reich drilling program.

Beyond this the Office for German Raw Materials has taken measures which in the first year already brought noteworthy results. By an increase of the drilling activity, in which connection it must be emphasized that also the drilling share in the prospected areas had a satisfactory increase without the Reich's assistance, it was possible, to open up a number of petroliferous regions in the course of 1937, of which especially the area near Hamburg entitles one to high hopes, according to the drilling results thus far.

Consequently it was possible in 1937 already further to increase the production of petroleum. The total production exceeded 450 000 tons. It thereby represents the highest production of the German petroleum industry thus far. But in order to spare and safeguard the petroleum stores for a longer term some of the basins should not yet be stepped up to full production. The current production therefore can be increased substantially only when new larger petroleum basins are opened up. Care has been taken that also in the case of a further increase of production the additionally produced quantities from newly opened petroleum basins can be processed.

#### Benzol

The benzol yield, now amounting to 450 000 to 550 000 tons, will increase in connection with the extension of the coking plant which is now in progress, to a corresponding extent. But on account of its obligatory connection with high temperature coke production it cannot be increased at will and must be evaluated as an additional coverage of motor fuel needs, but limited in quantity by natural resources.

#### Alcohol.

Ethyl alcohol, which even now yet, fortified by methanol, is added to carburetor motor fuel, will in future, when it has become possible to utilize potatoes completely for nutrition, no longer be available for motor fuel purposes. This will simultaneously stop the admixture of methanol which cannot be continued without ethyl which acts as a solvent. In the transition period ethanol will continue to be used with methanol, under certain circumstances in conjunction with higher alcohols, which decrease the danger of demixing.

(page 71 of original, cont'd)

Lignite and Coal

The liquid basic materials which can be utilized therefore are available only in quite an insufficient quantity in German raw materials. There remains only the method of processing coal by low temperature distillation or direct liquefaction. The demands made on our coal stocks for mineral oil production will be comparatively small. Probably it will amount to less than 10 % of the present coal mining. The stocks of 57 billions of tons of lignite and 280 billions of tons of coal will last several hundred or more than a thousand years, respectively, according to the present rate of production of 160 millions tons and 180 millions tons yearly.

The Processes for mineral oil production.

Of primary interest in connection with the building up of German mineral oil production are processes which are elastic and which permit, if necessary, to a certain extent a conversion of production from one product to another one. For when later on the German requirements will be covered for the greater part from domestic sources, the convenient safety valve of imports will not be able to function to the same extent as heretofore and the German producers must then be able to adapt themselves to all requirements.

Figure

Gas pipes in the large Bocklen low temperature distillation plant. Photo by Archiv A.G. Saechsische Werke

(Legend):

(page 72 of original)

#### Distillation of Petroleum and Tar.

The processing of petroleum, lignite tars and coal tars which have so far consisted mainly of simple distillation and refining, have made progress during recent years by taking up cracking and selective extraction. The German petroleum thus will serve in the first place for obtaining lubricating oils (cf. series 11/37, page 53 ff) as well as diesel motor fuel and gasoline. Here - in it will in future also have its valuable field of application.

From lignite tar only those products can be gained through the well-known distillation method which existed in the tar from the very beginning, namely diesel motor fuel, fuel oil and paraffin, besides small quantities of gasoline. Both the introduction of cracking into the processing of tar as well as the application of selective extraction represent a certain development. Thus it is possible, to be sure by doing without paraffin and by increased coke and gas formation, to increase the production of diesel motor fuel and fuel oil to approximately 70 per cent of the low temperature distillation tar, used, approximately one half accruing to diesel motor fuel and the other half to fuel oil. The Office for German Raw Materials and Plastics, however, does not consider this processing by more decomposition to be the method which takes full advantage of the valuable ingredients of lignite tar. Especially in view of the difficulties in supplying diesel motor fuel, the valuable raw material: lignite low temperature distillation tar must, as a matter of principle, be made accessible to a refining process which yields the highest possible amount of diesel motor fuel. Such a process is the so-called "low temperature hydrogenation".

The processing of coal low temperature distillation tar into fuel oil is still very much in a state of development. The question of the importance of utilizing coal low temperature distillation to cover the requirements of fuel oil depends essentially on the results of this work.

#### Synthetic Methods.

However, to a much higher degree than the older distillation methods which, in a way, represent methods for the production of low temperature distillation coke with simultaneous yield of fluid by-products, the new synthetic methods now make us independent of the nature of the raw material and give us at the same time to an increased extent the possibilities to direct the nature of the products.

(page 72 of original, cont'd)

Where it proves impossible to dispose of additional coke, the coal can be transformed directly into fluid products. There is available to us here the FISCHER method which was developed on a large industrial basis by the Ruhrchemie A.G., the I.G. high-pressure method and the FOTT-I.G.-method of extracting the coal, with subsequent hydrogenation. We would like to insert here a few short notes on the basic differences and characteristics of this method for "liquifying coal" (cf. series 5/37, page 271 ff.):

The hydrocarbon synthesis from water gas, according to FISCHER-TROPSCH - proceeding from lignite, coal or coke capable of being converted into gas - in its present state of development, working with moderate pressures, is essentially suitable for the production of gasoline and hard paraffin. Besides that, minor quantities of a very high-value diesel motor fuel may be obtained. This good quality of the diesel motor fuel is the result of the peculiarity of the FISCHER method of supplying only purely paraffinic, for the most part straight-chain hydrocarbons.

The direct accumulation of hydrogen under high pressure developed of coals, tars and oils, by I.G. Farbenindustrie on the basis of the work of BERGIUS makes possible the production, within certain limits, of the whole scale from the light to the heavy hydrocarbons, from the liquifiable gases propane and butane via gasoline, diesel motor fuel, fuel oil, lubricating oil to paraffin. A considerable progress in this respect is the "low temperature hydrogenation method" of lignite products, especially of sparingly distilled lignite tars, which permits us, for the first time, to produce economically the cheap, light lubricating oils, spindle and machine oil on the basis of lignite, as well as great quantities of excellent diesel motor fuels and hard paraffin.

Picture showing

Gas producing plant for the  
FISCHER Synthesis.



(page 73 of original)

A complement to the direct hydrogenation process is a system introduced by Pott-Broche, namely the liquefaction of lignite and bituminous coal by way of extraction with solvents, into a pitch like product which, by a further hydrogenation treatment, can be converted into fuel oil, gasoline and possibly at a future date also into Diesel motor fuel.

For the production of high quality heavy lubricating, motor and cylinder oils there are lately available quite a number of synthetic methods which proceed from gaseous, liquid or solid paraffinic hydrocarbons and produce, by cracking and polymerisation, the products which are desired in each case, in an excellent quality.

The chemical and the mining industry have developed, with determined energy and by using very large resources, the methods by which the Four Year Plan is now benefiting, and have completed them in exemplary co-operation by constant exchange of experiences among themselves, without waiting for any particular sponsoring on the part of the state.

#### Propellant Gas.

Before dealing with the matter of substitute power-fuels, we must first deal with the question of the so-called propellant gases which, to a certain degree, stand at the borderline of liquid motor fuels and the gaseous substitute motor fuels. The gases, which can be liquefied under pressure with comparative ease and which can be conveniently handled, consisting essentially of propane and butane, have, on account of their calorific value, which is equal to that of gasoline, acquired a ready market both as a propellant for carburetor motors as well as a source of heat and light for households. While in the beginning of the development of synthetic methods an outlet for the sale of these automatically derived gases was urgently sought for, this problem has changed extensively in the meantime. Rather, from the viewpoint of Total Planning, care must now be taken that the derived rich gases will not be claimed later on by several consumers at the same time. This is because of the circumstances that on the one hand the technical development of the syntheses brought about an increased yield of motor fuel and simultaneously a smaller yield of rich gas, and that on the other hand chemistry developed in the meantime new methods which taught the utilization of the rich gases as a valuable starting material for chemical syntheses.

(page 73 of original, cont'd)

In certain quantities methodically employed, propellant gases will always maintain their place in the German mineral oil economy. Measures for carrying out this marketing have been taken by the Office for German Raw Materials and Plastics in agreement with the Reich departments and the economy.

#### Substitute Motor Fuels

In spite of the fact that we in Germany are fundamentally in a position to cover our future requirements of the most varied mineral oil products out of domestic production, the development of substitute motor fuels and of auxiliary apparatuses needed for their application, is, nevertheless, also being continually sponsored, since there must be possibilities in times of need of equalizing the supply under all circumstances, and since the ways leading to these preparations must not be neglected. Their application will, however, on account of the additional complications, be limited to trucks, agricultural and stationary engines. Viewing the various possibilities one comes necessarily to the conclusion, that the substitute motor fuels, can, in individual fields, be valuable assistants in facilitating the coverage of the requirements. But they will probably never be able to supply thermal units of high value in such a simple and convenient way in such a limited space and in such a universally applicable form, as is possible with liquid motor fuels on account of their nature. In February 1937 general directions for the application of substitute motor fuels were issued, which go into more detail on this subject.

#### Figure

Photo IG.--picture-archives.

Installation of a high pressure furnace for the gasoline synthesis according to the IG.-method.

#### Guiding Thoughts of the Mineral Oil Planning

The planning of the German mineral oil economy follows from the situation of the demand according to quantity and quality as well as according to raw materials. Its most important guiding thoughts are summarized briefly as follows:

Application of methods with as high as possible a yield and as low as possible a percentage of by-products difficult to dispose of, in order to conserve the raw material stocks of coal and petroleum.

(page 73 of original, cont'd)

Application of methods as flexible as possible, so that the total planning may be adapted to future changes in demands of technical development, as regards consumption, market conditions and even export requirements.

Employment of such contact and auxiliary materials which can be obtained out of German raw materials, without claiming foreign exchange.

Maintenance of the hitherto existing qualities of all mineral-oil products and, where necessary, their improvement, as for instance in the case of the synthetic motor lubricating-oils and certain kinds of gasoline.

Careful selection of the situation of the plants, fully taking into account all viewpoints as to space arrangement and the social necessities, and disregarding locally conditioned special wishes.

Financing of the new plants out of own funds of the economy, only with further assistance of the capital market, without allowances of the Reich.

The use of as little steel as possible for the construction of the new plants.

Final establishment of the individual building projects in each case only then when, after settling of the financing and steel allocation, the work of making the construction drawing must be started in order to adopt improvements which might arise during the planning.

(page 74 of original)

Figure

Gasoline Furnace of the Haldenbury  
Hydrogenation Plant (Brabag)

Photo by E. Tregeer

Temporal preference of mineral-oils of the highest import price in order to obtain the highest possible savings of foreign exchange at the earliest possible time.

Consideration of the interests of all branches of the mineral-oil production, including trade, as regards the changes in supply caused by the conversion to German production.

Timely introduction of measures for the conversion in the storing and transport system in connection with the conversion of the supply from import to domestic production.

In order to implement these general ideas in the planning, extensive work was necessary for the selection and critical evaluation of the available material, the starting of new experiments, the selection of those charged with the new mineral-oil enterprises and the securing of their financing. Important decisions about the application of individual processes had to be made. This work was carried out by the Office for German Raw Materials and Plastics, supported by a great number of honorary co-workers from the industry, in collaboration with the Reich Ministry of Economics, the Supervisory Office for Mineral Oil and especially the Economic Group Fuel Industry.

RESULT OF THE PLANNING.

The total planning, as it is now available for the final goal, show that the direct imports of mineral-oils which in 1936 were still very predominant, disappear entirely in the end goal. The domestic refinement of foreign raw materials undergoes a further systematic increase within the compass of the total increase of consumption as well as by the utilization of certain refining hydrogenation plants for the exploitation of economic possibilities of crude oil imports. In case of need this foreign raw material, which continues to be used in the final goal, can be replaced by a surplus of production of German petroleum and by the complete transition to the direct processing of coal in these refineries.



(page 74 of original, cont'd)

The existing refineries which process foreign oils by distillation and refinement, will be able to continue their work to the extent of their previous capacity in the future also, assuming that they remain on the credit side with respect to foreign exchange, or that they produce asphalt, the production of which by other means is causing difficulties at present.

From the rather considerable share of foreign petroleum in the total supply one can see that apart from the necessary guarantee of the vital supply from purely domestic production we strive for non-interruption of the contacts with foreign countries in the field of mineral-oil, and continue to participate in the mineral oil economy of the world to as great an extent as the security of Germany permits.

In order to economize the supplies of German mineral-oils as known up to now, only the quantities produced at present shall be processed; however, the maximum amount of lubricants possible must be obtained in this processing. It won't do that that part of German mineral oil which has the highest value, namely lubricating oil, is destroyed by thermic treatment.

The alcohol which is still being used during the transitional period will, in the end goal, no longer be a factor for covering the supply. Possibilities for synthetic mass production could not yet be included in the planning.

Presumably lignite and coal will participate in the further production in the quantitative ratio proportion 5 : 4, which ratio may possibly shift in favor of coal. Low temperature distillation lignite tar will, to a certain extent, continue to be split up by distillation etc. into gasoline, diesel motor fuel, fuel oil and paraffine. The main quantities of lignite tar produced in the new development will be hydrogenated, on account of the higher yields and the necessary production of diesel motor fuel and lubricants. Investigations are being made as to whether the low temperature distillation coal tar may be utilized later on for a partial coverage of the demand for fuel oil. For this purpose experiments with various methods for low temperature distillation of coal and especially for further processing of the tar are being strongly promoted.

(page 74 of original, cont'd)

The direct processing of lignite and coal will be carried out partly according to the high-pressure hydrogenation and extraction method and partly according to the Fischer method.

The further development of the Fischer method in the direction of greatly increased production of Diesel motor fuel would substantially enlarge the possibilities of its utilization.

In order to cover the remaining deficit still remaining in the case of the most varied products, the I.G. high-pressure method was principally used. Apart from plants which process lignite and coal into gasoline or petroleum residues into diesel motor fuel and lignite tars into lubricants, paraffins and diesel motor fuel, quite a number of other plants will be put into operation which will produce by pressure hydrogenation diesel motor fuels and gasoline on a lignite basis and especially high grade gasolines on a coal basis. To this must be added those processes which, in connection with coal extraction are to produce fuel oil in addition to gasoline.

In the end goal the savings in imports will amount to approximately 350 million RM annually, if it is taken into account that besides the already existing demand the increasing new demands would also have to be covered by imports.

Beyond the purely technical solution of the planning it has been possible to finance all plants whose completion has been undertaken so far out of own means of the industry, only drawing on the capital market, with the Reich and the sponsoring companies giving an equivalent guarantee. In view of the considerable amounts involved in a specific case this is a laudable achievement of the economy.

Furthermore, we shall probably succeed in producing the products in the new plants at such costs that we shall, on the whole, be able to manage with the present proceeds, even though certain difficulties may possibly occur here and there. It will therefore be possible to maintain the price structure in the mineral economy in its essential parts, which is indispensable in the interests of motorization, if for no other reason.

But nevertheless there is an important exception as far as diesel fuel is concerned. Since the new synthetic products on the basis of coal, which are absolutely necessary, are just able to get along with the present proceeds for gasoline,

(page 75 of original)

one must necessarily realize that it is impossible to produce the amounts of diesel motor fuel required by the consumers at the present rate of proceeds while the cost of production for diesel motor fuel is only slightly lower. A certain increase in proceeds for the new synthetic diesel motor fuel in proportion to the actual cost of production is certainly necessary. But owing to the different composition of the total costs of production this increase will be less than the price of gasoline. These difficulties will also make it quite obvious that the increased consumption of diesel motor fuel in stationary engines will have to be throttled, particularly since these motors can also be operated with suction gas with very little trouble from a technical point of view.

The plausible solution of reducing the price for diesel motor fuel altogether to the approximate price of other mineral oils is considered undesirable, as a matter of principle.

If the natural level of the German standard price of production is changed artificially it will cause changes in consumption which, in extreme cases could actually run counter to the requirements of the German raw material economy.

The preservation of the hitherto customary qualities of all motor fuels has been provided for. Appropriate obligations with respect to the new installations have been allocated to the prospective builders in the building permits. On the other hand it must be required, however, particularly during the time of introduction, that no higher standards are expected of the new synthetic mineral oils than those customary and essential in the case of the import products so far. This does not mean, however, that efforts to improve quality in the production, particularly concerning gasoline and lubricating oil, are to be hindered. Rather there are important reasons why it has to be retained. Seeing that this is possible only in healthy competition, it is necessary that the brands are retained and that there is appropriate possibility to advertise.

#### MINERAL OIL PLAN AND NEW CHEMICAL MATERIALS.

Finally a short comment about the tie-up of the field of mineral oils and the modern chemical raw material synthesis. The plan, gigantic in its total extent, to rebuild the German mineral oil industry on the basis of German raw materials, is already beginning to have fructifying effects on all related branches of the chemical synthesis.

(page 75 of original, cont'd)

This opens possibilities for new synthetic processes which are built up on the basis of the intermediate products and byproducts of the mineral oil syntheses which are now available.

In the new plants not only power and heating fuels and lubricants are produced but also large quantities of paraffin which represent the basic material for the synthetic fatty acids. The latter are also to assist considerably both in the technical fats for the present mainly in the manufacture of soap and later on also as fats for human consumption, to fill the fat requirement in Germany.

The phenols and cresols, which are byproducts of mineral oil production, make possible this year already a considerable expansion in the manufacture of plastics and synthetic tanning materials which would otherwise necessarily have been left undone owing to lack of raw materials. The further increase in the quantities of phenols and cresols resulting from the progress of the mineral oil plan will form a necessary basis for the production of important exchange materials.

The elementary sulphur which are a byproduct of the purification of the synthesis gases can supply a large part of the sulphur required by Germany. Also in the coal and mineral oil enterprises which existed so far, the systematically developed utilization of sulphur will result in a considerable increase of German sulphur production, so that also in this field a complete coverage from German production is achieved.

With the help of acetylene chemistry and ethylene chemistry synthetic rubber, plastics, glycerine and other important chemical groups of requisites have helped to discover new important raw materials in the gaseous hydrocarbons which are necessarily a byproduct of the synthetic process. The research work for the utilization of the byproducts in branches of chemistry which continues the processing is, of course, proceeding simultaneously.

#### LIST OF TASK.

It is not necessary to point out in particular that also in the actual field of mineral oil production work is being continued at full force, with continuous use of great means for technical experiments. For the stock of scientific and technical knowledge accumulated during decades of work and utilized in batches at irregular intervals during the four year plan has to be supplemented again.



TRANSLATION OF DOCUMENT No. AI-6708  
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(page 75 of original, cont'd)

Meanwhile new problems have arisen.

Predominant is the goal not to be satisfied with a quantitative and qualitative coverage such as can be obtained now, but also gradually to reduce the price standard, which still has to be high at present, by means of new technical progress.

The goal which has been set can be attained only if all the participating circles continue to work with unswerving devotion and by applying the highest technical knowledge.

For this it is necessary that new scientists sufficiently gifted to solve difficult problems are recruited for scientific research, apart from financial and material assistance to scientific research.

On the other hand, it will be the aim of every enterprise which is well managed from the viewpoint of economics to maintain research institutions in which technical problems can be handled without consideration of an immediate financial success. It is the task of a far sighted and anticipating economic policy to maintain the possibility work of these industrial research institutions which are independent of each other. It is also necessary to offer sufficient incentive to the best technically talented minds to devote themselves to this task.

But the extent and urgency of the tasks which still have to be mastered and the questions which still have to be solved require particularly also the most strictly organized coordination of all forces. If ready, close cooperation prevails then the word of the plenipotentiary for the Four Year Plan, which he gave to the German people in 1938, applies also to the mineral oil industry: "It can be done!"

General view of  
the Leuna Plant.

FIGURE

CERTIFICATE OF TRANSLATION

18 June 1947

I, Herbert RODECK, Civ.No. D 397499, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of the document No. AI-6708.

Herbert RODECK  
Civ.No. D 397 499

TRANSLATION OF DOCUMENT No. NI-7822  
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES

WC/152

Berlin W 8, 7 June 1938  
Französische Strasse 17  
Telephone: 12 66 41

Wirtschaftliche  
Forschungsgesellschaft m. b. H.

Banking Account:  
Deutsche Bau- und Baubank  
Aktiengesellschaft, Berlin  
Post 1 Check account: Berlin 142 106

223 - File number/Fr.

(Illegible initials) 10 June

To: the  
Supreme Command of the Wehrmacht  
Wehrwirtschaftliche Abteilung,  
for the attention of  
Herr Majorant Dr. Kureck

III c 9 June

1368/38 1

Berlin W. 35  
Bondlerstrasse 27

Subject: Nachterstedt.

The IG has sent us the plan of the contract, nowly drafted on the basis of an agreement reached between Fliegeroberstleutnant Heydenreich and Regierungsrat Dr. Strömer, which we have submitted to the Reich War Ministry for approval. We append a copy of the draft.

MS: (Settlement of the contract  
(through the Reich War Ministry?)

Wirtschaftliche Forschungsgesellschaft  
m.b.H.  
per pro

(Illegible Signature)

1 Enclosure.

(Initials) For the files Geb b 34 I Anti-Knack agents.

(page 2 of original)

Copy/Fr.

C o n t r a c t

between

the Wirtschaftliche Forschungsgesellschaft m.b.H.

Berlin W. 8, ("Wifo")

and

the IG Farbenindustrie Aktiengesellschaft, Ludwigshafen on Rhine,

("I.G.")

-----

I. G. build a plant in Nachterstedt-Prase for the production of tetra-ethyl-lead.

As Wifo will have an interest in the supply of tetra ethyl lead, it places the building expenses at the disposal of the IG as a loan.

In accordance with this the parties conclude the following contract:

Article 1.

Subject of the contract.

I.G. shall build a tetra-ethyl lead plant of the scope evident from the enclosed estimate of costs and the appended plans. Wifo shall grant the I.G. a loan to the amount of the building costs, plus an addition of 3.8% for general IG expenses. According to the present state of the planning, the building costs are estimated by IG at 3500,000RM; the precise sum can be settled only after completion.

Article 2.

Building operations.

Tenders will be invited for the various deliveries and tasks on the basis of the estimate of costs. The decision on the most acceptable offer and on the additional claim shall ensue in agreement with Wifo. For the tasks of the I.G. itself, estimates of actual costs shall be submitted in detailed form.

Projected overstepping of the estimate of costs to the extent of a total of more than 6% shall be communicated to the Wifo in good time and needs their consent.

(page 3 of original)

The payments to Wifc on the loan shall be made conditional on the recognition of the final settlement in proportion to the IG's payments or expenditure for the new plant. To this end IG shall submit a monthly demand to the Wifc in detailed form.

(Article 3

Calculation of the loan.

The final settlement of the extent of the loan shall ensue after the completion of the new plant and the recognition by Wifc of its execution in accordance with the contract, namely on the following considerations:

- a) The expenses incurred shall be presented to the Wifc by submitting the original accounts for the deliveries and tasks of a third party, and by submitting estimates of the actual costs for the tasks of IG itself. With reference to the latter tasks, the right of checking and investigating the books is reserved to those offices named in Article 45c of the Reich Budget regulations.
- b) For administrative expenses (technical and commercial arrangements, and general supervision of the execution of the new plant) IG may make the additional claim, as quoted in Article 1, of 3.8% of the expenses drawn up in accordance with a), to be added to the costs of the plant.

Article 4.

Participation of Wifc in the building.

Wifc shall be entitled to make a check at any time on the progress of the work and adherence to the agreed plans, as well as on the condition of the new plant after its completion.

IG shall undertake to remain in close contact with Wifc or their deputy during building operations, and to inform them of the progress of the building.

IG shall undertake to make alterations in the nature of the building project at the request of the Wifc against appropriate restitution of the additional costs arising therefrom.

Article 5.

IG's obligations after the completion of the building.

After the completion of the plant, IG shall undertake to keep it in permanent working order, should it not be in use, with the conscientiousness of a good technician and business man, at the Wifc's expense. These expenses shall be written off yearly as a lump sum, the amount of which is to be agreed on after the completion of the building. The IG shall charge a yearly rent for the land taken up. Taxes which become due, possible fees for connection with power supplies and the like shall be separately charged to the Wifc.



(page 4 of original cont'd)

Deliveries to the Wif shall always take precedence over deliveries to other customers.

When production begins the IG shall pay to the Wif the amount which is included in the cost of the product to be manufactured to cover amortization and interest on the loan. In the calculations to be drawn up in agreement with Wif: an amortization period of 10 years and an interest of 1% are to be taken as a basis. Likewise the payments made to Wif: in accordance with Paragraph 1 shall be included in the calculations and refunded to the Wif.

#### Article 6.

##### Repayment of the loan.

The IG has the option of repaying the loan

- a) by transferring the plant to the Reich or to an authority named by the latter, or,
- b) by repaying the loan in cash.

The IG can exercise the choice at any time. After the passage of five years after the completion of the plant the IG shall undertake to exercise their right of choice within a period of 6 months at the demand of the Wif.

If the transfer should take place, the IG shall undertake to run the plant in the interests of, and at the expense of the Wif: and to make available the necessary trained personnel. If there should be a stand-still, Article 5, paragraph 1 is also relevant.

(page 5 of original)

In the case of repayment of the loan, an amortization period of 10 years and an interest of 1% on the Reich Bank discount rate shall be taken as a basis for the calculation of the delivery price to be paid by Wif. In this case also, Article 5, paragraphs 1 and 2 are applicable.

#### Article 7.

##### Previous agreements.

This contract cancels any previous agreements reached.

#### Article 8.

##### Legal successor.

IG shall be entitled to allow the Ethyl-G.m.b.H. to fulfil this contract. In this case the Ethyl-G.m.b.H. takes the place of the IG; the IG, however, retains the management and maintenance of the works.

TRANSLATION OF DOCUMENT No. NI-7822  
CONTINUED

(Page 5 of original cont'd)

Article 9.

Preservation of Secrecy.

IG shall keep this contract and all documents and other official papers connected therewith strictly secret, and acquaint therewith only such persons as must be indirectly or directly involved for the conclusion and fulfillment of the contract. These people should be pledged to the strictest secrecy.

Article 10.

Court of Arbitration.

All differences arising from this contract or its fulfillment shall be decided by a court of arbitration, to be formed in accordance with the Court of Arbitration Regulations appended as per Enclosure 1.

Article 11.

Stamp duties.

The cost of stamp duties shall be borne equally by the two parties.

Article 12.

The contract has been executed in two copies, of which each of the contracting parties holds one.

CERTIFICATE

20 August 1947

I, PATRICIA E. C. WOOD, ETC No. 20139, herewith certify that I am thoroughly conversant with the English and German languages; and that the above is a true and correct translation of document No. NI-7822.

PATRICIA E. C. WOOD  
ETC No. 20139

TRANSLATION OF DOCUMENT No. NI-7127  
OFFICE OF CHIEF OF COUNSEL FOR THE CRIES

High Command of the Wehrmacht  
Am. 40 b 2161/IV 7 Stb/W Ro (III c)  
No. 5951/39

20 October 1939  
Secret!

Express letter

To the Reich Minister for Economic Affairs  
Attention Ministerial Dirigent Dr. Halpert  
Berlin 11 8  
Behrenstrasse 43

Subject: Supply of ethyl chloride.

The expansion of lead tetrachlore production has caused a considerable increase in ethylene chloride requirements. As of February 1940 the ethylene chloride requirement will be as follows:

|  |                          |
|--|--------------------------|
| Lead tetrachlore plant Gysel           | 100 tons per month       |
| " " " Frohse                           | 350 " " "                |
| Other requirements (according to I.G.) | 50 " " "                 |
|  | <hr/> 490 tons per month |

As compared to this, there are the following production possibilities:

|                             |                          |
|-----------------------------|--------------------------|
| I.G., Ludwigshafen          | 250 tons per month       |
| " " " " " " " " " " " "     | 50 tons per month        |
| Bunawerk Schkopau           | 125 tons per month       |
| Bloittetrachlorewerk Frohse | 125 tons per month       |
|                             | <hr/> 550 tons per month |

The possibility of producing the largest quantity of ethylene chloride exists in Ludwigshafen and will therefore be extremely endangered in the event of serious combat conditions. This takes on an even more serious aspect due to the fact that

(page 2 of original)

platinum apparatus constitutes the primary prerequisite in establishing ethylene chloride plants and can hardly be procured in the platinum market under present conditions. This is already the case with the construction of the Frohse plant, for which the required platinum quantities, amounting to approximately 35 kg, can probably not be procured, so that recourse will have to be had to the reserve apparatus stored in Schkopau and lent to I.G. by Wifo.

Under these circumstances, it seems absolutely necessary to rush measures through for the removal of the entire ethylene chloride plant in Ludwigshafen and its reconstruction in a safe location. It is proposed that the necessary steps be taken there immediately. In this connection, it is pointed out that an additional expansion of the lead tetrachlore production is planned, for which the above mentioned ethylene chloride capacity, including Ludwigshafen, is no longer adequate.

TRANSLATION OF DOCUMENT No. NI-7127  
CONTINUED

(page 2 of original cont'd)

The Chief of the High Command of the  
Wehrmacht  
signed: Brecht

After mailing:

Copied with the request to note.  
By order (I.A.)  
Signature: Henschik

To  
Rc I  
III a

CERTIFICATE OF TRANSLATION

23 July 1947

I, Julius S. STEUER, AGO 442654, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of the document No. NI-7127.

Julius S. STEUER, AGO 442654.

12W



TRANSLATION OF EXCERPTS FROM DOCUMENT No. NI-7138  
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES

Office of Military Economy / Chief of Office

Data in connection with KTB

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Archives of the Offices of the Military Economy

Journal No. 49/40 secret  
Section III ...

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(page 150 of original)

W Ro III  
File No. 66 b 2134

Berlin, 10 January 1939

Top Secret

5 copies  
3rd copy

Memorandum for Report

on the effects of the tightening of the capital market  
and the introduction of the Iron quota on the extension  
of mineral oil production.

- I. The success of the armaments program, with its high degree of motorization, depends to a very considerable extent on making the supply of mineral oil secure.
- a) The Plenipotentiary for Chemical Special Production, Dr. Krauch, has set up a mineral oil production plan which provides up to the end of 1943 for a total increase of mineral oil from 2,800,000 tons per year to 11,300,000 tons per year. The distribution with respect to the individual kinds of mineral oil can be seen from Enclosure 1). Particular significance attaches in this connection to the production of aviation motor fuels, on which the striking power of the Luftwaffe is dependent.
- b) The anticipated mobilization requirements for 21  
1943 amount to 14,000,000 tons per  
year
- This does not yet take into account the considerable increase of the requirements of the Luftwaffe not yet officially confirmed. (Air requirements 1941 inserted)
- The estimated probable peace-time requirements for 1943 amount to 8,300,000 tons per  
year

TRANSLATION OF EXCERPTS FROM DOCUMENT No. NI-71  
CONTINUED

(page 150 of original, cont'd)

- c) Iron and steel required for carrying out the above program amount to 120,000 tons per month (see in this connection Enclosure 1, II)
- d) The monetary requirements for the above program amount to 4,000,000,000 RM. (see in this connection Enclosure 1, II)

exclusive of expenses for stockpiling and construction of tanks.

- II. By decreasing the allotments of iron and steel to only 42,000 tons per month there is considerable delay, so that presumably until 1943 the increase of the total mineral oil production will be only

2,800,000 tons per year to 6,500,000 tons per year

(page 151 of original)

(see enclosure for distribution in the individual categories of mineral oil), so that even the peace-time requirements will not be attained.

- III. Financing represents a further bottleneck which is at present becoming more and more evident. Taking into account the tightening of the capital market, in particular owing to the Reich loans, the admissions to the loan market are entirely insufficient for the individual undertakings in question. But experience has shown that in view of the amount of several hundred million Reichsmark involved it is often difficult, if not impossible, for the undertakings to absorb a multiple of their own capital in the form of loans. As far as may be surveyed, even the buildings to be erected with 42,000 tons iron per month can be financed only in part, so that as the result of the financial bottleneck even the 6,500,000 tons per year mentioned under II) may not be attained. The basic question must be asked here whether the Reich should not give to the firms participating in the development of mineral oil production partial amounts of Reich loans in the form of loans which are to be amortized and which are to yield interest, in order to do away with the capital obstructions which exist everywhere.

- IV. Comparison with the position in other fields of the armaments program.

In other fields of the armaments program the use of Reich funds for the construction of factories is quite customary. But the further construction of aircraft, ships and motor vehicles is ineffective if the motor fuels necessary for operation cannot be obtained. By stockpiling in place of the construction of factories no relief can be provided in this field at present, because the amounts of mineral oil available today (with the allotment of foreign

TRANSLATION OF EXCERPTS FROM DOCUMENT No. HI-7138  
CONTINUED

(page 151 of original, cont'd)

exchange steadily declining) are not even sufficient to satisfy the current peace-time requirements.

By postponing other armament's projects in favor of a greatly accelerated development of

(page 152 of original)

mineral oil plants (formerly time required for construction of a hydrogenation plant ca. 1 year, now 3-4 years) for about one year, the following could be achieved:

- 1) a substantial improvement of the mineral oil supply for the case of mobilization,
- 2) by improvement of the peace-time mineral oil supply considerable savings in foreign exchange, which would, in the following year, fully benefit the armaments program in other fields.

The use of Reich funds has the substantial advantage in the case of mineral oil plants, as compared with other armament projects, that here the amounts applied in the form of loans bear interest and flow back to the Reich in a comparatively short time.

V. The following conclusions may be drawn from the foregoing:

- 1) For the conduct of a modern war, mineral oil is equally as important as aircraft, tanks, ships, weapons and ammunition. It must therefore be taken into account in connection with total mobilization preparations exactly as every other implement of war, as regards financing and raw materials.
- 2) The construction of mineral oil production plants would have, just as, for instance, in the case with Buna, to stand in the very foremost position as regards urgency, because the considerable peace-time requirements devour millions of foreign exchange possibilities, and if self-sufficiency is attained these would be fully available for other purposes.
- 3) If the development of mineral oil is not to come to a complete standstill (the 16 months' plan has not yet been attained) its further financing must first of all be made secure. That is possible only through the surrender of Reich credits from the funds available for the total armament program.
- 4) Increase of the iron quota at the expense of the other quota recipients from 42,000 tons per year to 120,000 tons per year, as well as preferred treatment on the part of the iron processing industry are urgently needed.

(page 153 of original)

TOP SECRET

Enclosure 1 to Memorandum for Report

5 copies  
3rd copy

I. Production of Mineral Oil

|  | Mobilization<br>production<br>1938 in 1000<br>tons per year | Presumable mobiliza-<br>tion production 1943<br>in 1000 tons per year<br>in case of allotment<br>of 120,000 tons of<br>iron per month | Presumable mobiliza-<br>tion production 1945<br>in 1000 tons per year<br>in case of allotment<br>of 42,000 tons of<br>iron per month |
|--|---|---|--|
| Motor vehicle<br>carburettor<br>fuels<br>incl. benzene | 1,200   | 3,500   | 2,200  |
| Aircraft car-<br>burettor<br>fuels                     | 450   | 2,200   | 1,500  |
| Diesel motor<br>fuel                                   | 300   | 2,000   | 1,000  |
| Fuel oil   | 550   | 2,800   | 1,400  |
| Lubricating<br>oil                                     | 300   | 500   | 400  |
| Total mineral<br>oil production                        | 2,800   | 11,300  | 6,500  |

II. An investigation is being conducted as to whether iso-octane is necessary in each case for the production of high performance aircraft motor fuels. Should this be necessary, there would be required, in the case of requirements of about 600,000 tons of iso-octane, an estimated 1.8 billion RM. and also 30,000 tons of iron per month additionally.



TRANSLATION OF EXCERPTS FROM DOCUMENT No. NI-7138  
CONTINUED

CERTIFICATE OF TRANSLATION

14 August 1947

I, Herbert RODECK, No. B 397944, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of Excerpts from document No. NI-7138.

.....

Herbert RODECK  
No. B 397944

TRANSLATION OF EXCERPTS FROM DOCUMENT No. NI-7471  
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES

(page 34 of original)

D r a f t

High Command of the Army  
File No. 66 b 2134 - Stb/- Ro III

(please quote in reply above

reference, date and subject)

Stamp: Top Secret local 21 81 91  
long distance 21 -0 91

Berlin W 35, 31 January 1939

Tirpitzufer 72-76

Telephone:

Distribution:

5 copies

...copy

in pencil:

1st copy : Ro III destroyed as ordered. initials.

2nd " : Ro III

3rd " : Reich Ministry of Economics (Schneider)

4th " : Dr. Krauch

5th " : Chief sub-division (Amtsgruppe)

Notes for Report to Fieldmarshal GOERING on

Needs and Demands for the Continuation of the Mineral Oil Project.

I. Present Situation:

It has been repeatedly recognized by various offices that mineral oil is just as important for modern warfare as airplanes, armored vehicles, ships, weapons and munitions. Despite this the development of mineral oil production has been completely neglected until now, compared with other mobilization projects, partly through repeated cuts in the iron allocation, partly through the impossibility to guarantee sufficient funds in the money market. The 18 months plan, as ordered in the Fuehrer's speech in October 1936, for the expansion of the mineral oil production has not yet been reached by a long way. If far-reaching decisions are not made at once, which allow for the practical requirements, a complete failure of the future development of the mineral oil supply is to be expected. Apart from the fact that the mobilization requirements of the Wehrmacht can then not be met for a long time to come in any way, the import for the current peace requirements necessitates a considerable amount of foreign currency.

II. Aim of the development until 1944:

To cover the mobilization requirements of mineral oil by inland production (mobilization requirement 1943 about 22 000 000 tons per year) is not possible until 1944.

To reach an actually possible target

(page 34 of original cont'd)

- a) there is required above all: Increase of the mineral oil production until the middle of 1942 up to a total of 8 000 000 tons per year (including consideration of the isooctane).

- b) beyond that, further increase of the mineral oil

in pencil: for the files Bez. 34 IV

(page 35 of original)

production until the end of 1944 (including the increase of isooctane production) is to be prepared in conformity with a program to be laid down later on.

### III. Necessary Measures:

- 1.) obtaining of an immediate decision by the highest authority to give the mineral oil expansion top priority in the rearmament program as regards materials and financing.

- 2.) After inclusion in the rearmament program, measures to make up quickly for the lag as compared with other fields of mobilization:

- a) Greatest facilitation in financing.

As the necessary high amounts of 1,500 million RM per year cannot be raised by the economy, it is necessary to use Reich loans to the greatest possible extent from funds available for rearmament.

- b) Increase of the iron allocation to 120 000 tons per month from 1 July 1939 on.

It has to be determined at the same time at the expense of which party requiring and entitled to the supplies this increase should be made, as an increase of the quantities of iron available cannot be expected. It will be impossible to prevent that considerable quantities will have to be made available from the iron quota available for purposes of national defense.

- c) Priority treatment of orders in the hands of supplier firms.

The orders for mineral oil projects have to be treated as priority Wehrmacht orders. Furthermore, permission has to be granted to execute a considerable part of the orders as priority, according to the same principle which was applied to the execution of the powder and explosives rapid plan, to be able to give priority to urgent deliveries and to re-

TRANSLATION OF EXCERPTS FROM DOCUMENT No. NI-7471  
CONTINUED

(page 35 of original cont'd)

move the many obstacles in the iron processing industry, especially in the construction of apparatus, which have variously appeared already.

(page 36 of original)

d) Guaranteeing of the coal basis.

The additional labor requirement of 20 - 30 000 miners must be given priority and must be absolutely guaranteed within the framework of the total additional requirement of miners until 1942 (additional requirement of 50 - 90 000 miners).

Enclosures:

1. Graph of the development of the peace-time and mobilization mineral oil requirements and the mineral oil production until 1944.
2. Summary of the mobilization requirements of mineral oil.

CERTIFICATE OF TRANSLATION

8 August 1947

I, Brigitte TURK, Civ. No. 35 130, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of the document No. NI-7471.

.....  
Brigitte TURK  
Civ. No. 35 130



TRANSLATION OF EXCERPTS FROM DOCUMENT No. NI-6237  
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES

Anton Z i s c h k a .

-----

Science breaks Monopoly.

-----

L e i p z i g

Wilhelm Goldmann publication.

TRANSLATION OF EXCERPTS  
FROM DOCUMENT No. VI-6237  
CONTINUED

(page 1 of original)

- - - - -  
Ammonia from free atmospheric nitrogen might have remained a laboratory product, if the research scientist had not found a technical scientist, if Professor HABER had not had, in Geheimrat BOSCH an ally who brought his method for major plants to maturity and who, in many years of work, produced apparatus which even when red hot <sup>was</sup> not destroyed by hydrogen, and which withstands a pressure of two hundred atmospheres. Only through the closest co-operation between scientists and technicians did the mighty nitrogen factories arise, factories whose cooling towers rise in the air as high as houses, whose pipe-lines are like labyrinths, and which have dozens of kilometers of works' tracks. Only through enormous technical and organizing effort did there become grouped round HABER'S pressure boilers the giant plants which not only raised the German home demand for nitrogen fertilisers from 920,000 tons in 1913 to 2,250,000 tons in 1936, and not only reduced the import of Chilean salpeter from 170,000,000 marks in 1913 to 8,000,000 in 1933, but also completely broke Chile's salpeter monopoly. While -converted into pure nitrogen- there were in 1903

(page 2 of original)

only 352,000 tons of nitrate at the world's disposal, and all this nitrogen was derived from natural sources, in 1933/34 there were 1,787,000 tons of nitrogen and 95,2 percent of it came from chemical factories; barely a twentieth part of the world-consumption was now met by Chile, three-quarters of all nitrogen now came from the air.(1). From the small ammonia factories in Oppau, where the HABER-BOSCH method was first turned to account industrially in 1914, the giant factories of I.G. Farben grew up, the Leunawerke at Merseburg arose, atmospheric nitrogen factories were set up in England and America, France and Japan. In Germany today two hundred thousand men earn their living through the atmospheric nitrogen-producing industry.

TRANSLATION OF EXCERPTS  
FROM DOCUMENT No. MI-6237  
CONTINUED

(page 2 of original cont'd)

1.) Synthetic Nitrogen production amounts to :

| (Capacity) in 1000 tons of Nitrogen |       | 1925 | 1929 | 1931 | 1932 | 1937 |
|-------------------------------------|-------|------|------|------|------|------|
| Germany                             | ..... | 450  | 750  | 448  | 450  | 1366 |
| England                             | ..... | 88   | 197  | 139  | 164  | 233  |
| Norway                              | ..... | 20   | 45   | 72   | 62   | 121  |
| France                              | ..... | 33   | 75   | 71   | 83   | 244  |
| Belgium                             | ..... | 14   | 39   | 43   | 51   | 218  |
| Holland                             | ..... | 8    | 12   | 77   | 70   | 137  |
| Poland                              | ..... | 20   | 43   | 35   | 28   | 89   |
| Czechoslovakia                      | ..... | 6    | 22   | 18   | 15   | 38   |
| Switzerland                         | ..... | 5    | 2    | 14   | 16   | 13   |
| Italy                               | ..... | 17   | 42   | 37   | 59   | 147  |
| Japan                               | ..... | 33   | 65   | 133  | 148  | 490  |
| U.S.A.                              | ..... | 98   | 260  | 154  | 147  | 293  |
| The World                           | ..... | 865  | 1672 | 1388 | 1336 | ---  |

Distribution of world production.

|                     | 1913-14 |      | 1925-26 |      | 1928-29 |      | 1931-32 |      | 1933-34 |      |
|---------------------|---------|------|---------|------|---------|------|---------|------|---------|------|
|                     | in      | in   | in      | in   | in      | in   | in      | in   | in      | in   |
|                     | 1000t   | %    | 1000t   | %    | 1000t   | %    | 1000t   | %    | 1000t   | %    |
| Chilean salpeter    | 402     | 53,9 | 399     | 29,9 | 490     | 21,2 | 170     | 10,7 | 85      | 4,8  |
| Artificial nitrogen | 344     | 45,1 | 935     | 70,1 | 1623    | 78,3 | 1415    | 88,3 | 702     | 95,2 |
| together            | 746     | 100  | 1334    | 100  | 2113    | 100  | 1525    | 100  | 1787    | 100  |
| Consumption         | ---     | ---  | 1958    | ---  | 1672    | ---  | 1617    | ---  | 1863    | ---  |

(page 3 of original)

Europe's fight against hunger

in barely two decades goods to the value of many billions had been literally produced from the air.

Not without a struggle it is true, for Chile defended its monopoly; or rather, the American multimillionaires, who had gradually taken over nearly all the important Chilean mines, defended it. Forced by the competition of atmospheric nitrogen, the Guggenheims began

TRANSLATION OF EXCERPTS  
FROM DOCUMENT No. NI-6237  
CONTINUED

(page 3 of original cont'd)

to introduce new breaking-down processes. One no longer blasted salpeter into the air, but put the pampas under water, and washed the salt from the earth by water under pressure and achieved better results more cheaply and more quickly by cold process. In spite of this, however, synthetic nitrogen gained one market after another. Why fetch salpeter from Chile, when it was in the air everywhere? Chile's export duties sank, Chile, which had grown rich through salpeter, whose salpeter kings owned magnificent castles on the Riviera and palaces in Paris, Chile, which had built with the salpeter duties magical streets, casinos and skyscrapers, now became poor through atmospheric nitrogen.

(para 2, page 4 of original)

After thirty years of a little noticed, often derided struggle against a thousand difficulties, rubber synthesis could be defined as not only scientifically but also industrially successful. When at the Berlin automobile exhibition in the spring of 1936 tires of Buna, of synthetic rubber were shown, then it was no longer a question of a curiosity but of industrial products, which had long been tested by the army, and they proved themselves far superior, in the severest road tests, to the tires produced from natural rubber. Rubber from lime and coal replaced rubber from sap. Science triumphed over pillage and spoliation. How endlessly difficult it was to achieve this victory cannot be fully conceived.

(para 2, page 5 of original)

The World War came and for Germany it was not only important to save the some 300 million marks which at that time yearly went abroad for crude rubber, but Germany had also to find a substitute for rubber if her electricity works and automobiles were not to be brought to a standstill. The quantities obtained through Holland and Skandinavia were limited; and while the plants died off, and the falling-off of the central European market caused the price of rubber to drop from eight and ten pence in 1908 to

(page 6 of original)

two and eleven pence in 1918, German and Austrian cars clattered on iron rims over the cobbles, gas masks had to be made of leather and cables insulated with paper. The chemists worked feverishly, but of what use were Hofmann's methods, which required acetone, aluminium and mercury salts, all of them basic materials which were hardly procurable.



TRANSLATION OF EXCERPTS  
FROM DOCUMENT No. NI-6237  
CONTINUED

(page 6 of original cont'd)

Finally towards the end of the war the production of methyl rubber was resumed, and 10,000 kilogrammes of synthetic rubber were produced daily. But this was simply an emergency measure. As soon as natural rubber was obtainable again, the plants were closed down. Things became very quiet where synthetic rubber was concerned.

(page 7 of original)

Pre-War Germany was too wrapped up in dreams of a "peaceful" conquest of the world, believed too much in free trade, to be a match for English realist politics. Germany had no oil-wells and therefore wanted to buy them. The German Bank put many millions into South-American and Balkan oil-fields, participated in the great oil trusts and believed that shares would hold the frontiers open. And so it was dragged into the bitter war of prices which was waged by DETERDING and ROCKEFELLER in all markets, in India and in China, in America and in Europe. More than a million other wells followed on the first American oil well, the Titusville well, bored in 1858, in 1913 more than a hundred billion marks were invested in the world's petroleum industry. In the midst of the fever to pay interest on those hundred billions, in the midst of the political struggles over the vital raw material, there burst, at the beginning of 1914, the news that the German chemist Dr. Friedrich BERGIUS had taken out patents on a coal liquefaction process. The initiated wanted to be assured that the German had succeeded in making gasoline from coal.

Had these patents been more than protection for an idea, had they described a technical process and not a laboratory experiment, the war, which broke out soon after its publication, might perhaps have ended differently. But this Dr. BERGIUS stood only just at the beginning of a very wearisome road. He had succeeded in "hydrogenating" coal, in combining the carbon from coal with hydrogen under pressure and with the help of a contact-substance, and in building-up a molecule similar to that of gasoline.

(page 7 of original)

But in this he succeeded only theoretically only laboratory tests and hydrocarbon gained in drops supported his statements. Technically Dr. BERGIUS' process was worthless during the World War.

(page 8 of original)

Germany had to continue the race for the oriental oil wells, the "drive towards the East" of the pre-war years, to have oil she had to conquer Rumania, stage an offensive against Iraq, and send troops to Asia Minor. But six months before the turks reached the Caucasian oil-fields, the tankers of Standard Oil docked in the harbours of France; when Germany reached the Russian oil the dislocated Rumanian springs began to work again, then the fuel shortage and the bread shortage had already deeply affected the fronts, and, as CURSON put it, "a wave of oil had already borne the Allies to victory."

If before the 1918 defeat there were still doubters in Germany and the significance of oil was underrated, the whole vital nature of the new raw material became clear with the World War.

(page 9 of original)

Under the Treaty of Versailles Germany had lost its oil fields in Pechelbronn and all its participations in Rumanian and Mesopotamian oil and in American and English oil firms. But she had also lost many illusions, she had learnt to see more clearly. Germany had no oil. Therefore Germany had to find oil. Instead of acquiring a block of shares and strengthening the onony with our own money, we invested immense capital in research establishments, and there oil was discovered. IG Farben, which ensured Dr. BERGIUS' patents after a lengthy struggle against Dutch and English capitalist groups, had hundreds of research-workers and engineers to work on their technical development; the Ruhr coal mining industry established an experimental plant for Professor Franz FISCHER, who had also developed a coal liquidation process - step by step laboratory experiments were transformed into large-scale technical processes, but with this a development was introduced which was of tremendous significance, not only for countries lacking oil, but also for the entire coal industry, for the power-producing industry of the whole world. At the same time people on the whole learned to value coal. Coal had for hundreds of years been burned in boilers or in stoves like wood; 85 % of the heat produced was dispersed unused up the chimneys, so that only 15 % of the coal was utilized. Now they learnt how to make use of up to 50 % of it. Through synthetic gasoline tremendous waste was brought to an end and thus once again a monopoly extremely dangerous to world peace was broken, bitter struggles for power were ended by the fact that oil was now accessible to almost all industrial states.

(page 9 of original, cont'd)

We are still only at the beginning of this development; but when on the basis of the IG Farben hydrogenization experiments completed in 1926 in Ludwigshafen - Oppau a major liquefaction plant was set up at the Leuna

(page 10 of original)

works in Merseburg, in the centre of the mid-German lignite area, the victory over the oil trusts was already beyond doubt. Slowly the production of synthetic petrol was stepped up and at the end of 1935 this plant was already producing a thousand tons daily. From electrically heated ovens 60 centimeters high came towering ovens 18 meters high, from spray bottles came the water-works of the Leuna plant, which draws 575,000 cubic meters from the Saale every 24 hours, more than all 14 of Berlin's waterworks have to supply together. From laboratory experiments a major industry developed, after twelve years of the most wearisome research work, after the solution of innumerable construction problems, after the overcoming of the gravest financial difficulties and the most bitter opposition of the natural oil purveyors, the theory became a major fact. In 1916 Leuna was the name of an unknown village with three hundred inhabitants. To-day it is, for the whole world, a concept in the same way as are Detroit and Hollywood. The Leuna works now cover eight square kilometers and have a staff of 11,000 men. In the nearby Geisel valley giant excavators clear away the rock crust covering the lignite, and are followed by excavators which scoop up the coal and load it on mine trains. From mighty storage bunkers the lignite comes to the Leuna works' boiler houses which are more than thirty meters high and two kilometers long, the largest boiler plant in the world; it comes to the gas production plants which are capable of producing 12 million cubic meters of gas in 24 hours, as much gas as Berlin uses in a week. From the bunkers the lignite goes to crushers which grind it to powder; while conveyors carry this powder on, oil and a catalysing fluid are sprayed on the coal and a paste produced, giant mixers which process fifteen tons of coal hourly, heat this paste. Compressors then condense the coal paste to 200 atmospheres, a pressure equivalent to 130,000 kilograms laid on one hand, and press the mixture of coal, oil and catalyst in high-pressure ovens, whose walls are 14 centimeters thick. These cylindrical ovens which tower to the height of a house and each of which weighs more than a hundred thousand kilos, stand in fours in concrete chambers open at the top, and thus if they should explode, they could not scatter fragments directly into the works.

TRANSLATION OF EXCERPTS FROM DOCUMENT No. HI-6237  
CONTINUED

(page 10 of original, cont'd)

(Photograph top right, numbered 41)

41 Above: The filling and pecking of ampoules is scrupulously controlled in the Layer-Laboratories,

(Photograph bottom right, numbered 42)

42, left: A synthetic jewel in the melting-oven. In the front of the fire-proof muffle-furnace a cobalt glass window gives a view of the hottest part of the flame, so that the process can be closely observed.

(page 11 of original continuing of p.10  
before Photo descriptions)

Long-range measuring instruments are built into them, with wires ending in an instrument board on which the powerful conversion of energy can be observed.

CERTIFICATE OF TRANSLATION

2 June 1947.

I, John ROSEMARY, Civ.No. 11 629, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of excerpts of document No. HI-6237.

John ROSEMARY  
Civ.No. 11 629



(Page 271 of original)

Production of Mineral Oil from Coal.

by H. Koppenberg.

The fact that the world's first drilling tower for mineral oil was erected near Hannover, that both the gasoline and the Diesel engines were constructed by Germans and that, therefore, the motorization dominating the whole world today had its first origin in German work, has rightfully been, time and again, opposed to the disastrous fate that the most serious difficulties resulted for Germany's position as a big power due to the lack of its own adequate oil occurrences and thus the advantages of technical progress had to be paid with new questionable dependencies.

The few colonial territories producing raw materials which we were still able to acquire after a belated urge for colonial activity were lost after the first world war. Therefore, the poverty of Germany in vital raw materials was, to the conscientious observer of these circumstances, always a reason of deepest concern with regard to the future of his nation. If today a wise government has searched and found the means of removing a fundamental evil of our national existence, namely the shortage of raw materials, with the means given us, this is a historical achievement for which our children and our children's children will be grateful to our generation.

Fortunately this want in raw materials of our mother country is not a general one. We possess in our soil certain treasures which will make us rich if we only know to use them correctly: in the first place there is coal, of which we have more than most other countries. As long as the generation of power and energy was based solely on the direct exploitation of coal we were, therefore, equal to the richest nation on the earth as regards the possibilities given us. This applies to the end of the last and to the beginning of this century. But now a new raw material has won greater and greater importance for the generation of power within the last fifty years, a raw material which we have in our ground only in small quantities which by no means are equal to our demand, petroleum. The development of petroleum into a raw material of the first order of our technical era is parallel to the development and the increasing utilization of the gasoline and oil engine, the main consumer of mineral oil products. It is quite obvious to everybody that the automobile, the tractor, the aeroplane, the stationary oil-engine and similar machinery using petroleum products

(Page 271 of original, cont'd)

for fuel cannot be eliminated any more from the technology of a modern nation. This fact means an unmistakable dependency of the development of our technology on an assured petroleum supply. For this reason the problem of opening up new sources for the obtainment of mineral oils is of prime importance for our nation in connection with the total problem of making our economic system independent of the supply of raw materials from abroad.

Therefore, the first step on the way to procure for Germany its own raw material basis for mineral oils had to be a systematic investigation throughout our country as to whether mineral oils could not be found in the German soil in the same manner as in other countries rich in mineral oils. Although certain results were obtained it seems to be a clear fact today already, according to borings made in our own soil thus far, that it does not seem possible to cover the total mineral oil requirements of our economy in this way. Therefore the situation would be unsatisfactory if our chemical research had not succeeded in making coal, that raw material for the generation of energy in which our country is richest, the basic material for the obtainment of mineral oil.

The way to this great achievement of chemical science, which will be so decisive for the future well-being of our nation, was not a simple and quite obvious one. To be sure, this way is based on a primitive idea, the putting of which into practice, however, required the cooperation of our best chemists and the total utilization of our chemical industry. This simple idea is the following:

If you split up mineral oils into their ultimate components they consist principally of carbon and hydrogen and contain these chemical elements in a certain quantitative proportion and a certain arrangement with respect to each other. But the same elements carbon and hydrogen are contained in our coal too: e.g., the first of these two constitutes the fundamental element of coal and also derives its name from it. As far as larger quantities of the element hydrogen are required one can fall back on water, abundant everywhere, in which hydrogen is contained as a building block and from which it derived its name, too. It was not difficult now to conceive the idea of taking the elements carbon and hydrogen from the raw materials at our disposal and to synthesize them in the same manner as is the case in mineral oil. But it is a long way from this idea to practical success. The German nation is indebted to those men who tackled the problem of the transformation of coal into oils at a time already when, from the economic point of view the idea of a large-scale industrial realization of this problem was still unthinkable. In retrospect it must be stated to-day that a good deal of idealism was necessary to begin the liquefaction of coal at a time when, in other countries, wells had only to be sunk into the ground in order to get the same valuable product in the cheapest manner. But we have the same esteem for the far-sightedness of the leading men of our chemical major industry, who for long years strove for the realization on a large industrial scale of the coal-liquefaction method, without a near prospect of being able to start a large-scale production under economic conditions. The fact that besides the chemical major industry other branches of industry also have a share in the development and realization of the methods for the production of oil from coal may be seen from the statements which were made two years ago by the well-known Privy Councillor BOSCH of I.G. Farben at the plenary session of the Association of German Iron Workers (Verein deutscher Eisenhüttenleute) "It is necessary to obtain experience from every corner in order to find new ways. Not only physics and chemistry must be taken into consideration but one must also become acquainted with the border regions. In these very border regions lies the future." But in the same address Privy Councillor BOSCH justly drew the attention of the whole audience also to the fact that the steel industry had earned the major share of the credit in connection with the arising of the large chemical installations, for this new industry requires large apparatuses and after the scientific knowledge had once grown ripe for an industrial exploitation, the forges were faced with tasks of an unprecedented greatness. Thus Privy Councillor BOSCH said: "I always held the view that we are deeply indebted to the steel industry, that it was this industry which, at the time when we were faced with difficult tasks, supported us in the most vigorous manner, in the beginning especially the KRUPP plant, but later all other plants too".



Now it will certainly be interesting to gain an insight into these circumstances and means of procedure which enable us to put into practice the simple theoretical experiment already described.

The high-pressure hydrogenation method developed by I.G. Farben in their Oppau plant and carried out on a large industrial scale in their Leuna plant starts from the described fact that coal has the same components that are contained in mineral oil. Only the quantitative proportion differs in coal in such a manner that hydrogen in it takes second place behind carbon. There are likewise contained in coal certain impurities, oxygen and sulphur, which must be removed in order to obtain high grade mineral oil. The I.G. method is based on the fundamental experiments of Professor BERGIUS, who was the first to find out that at increased temperature hydrogen can be forced under high pressure to combine with coal, forming products similar to mineral oils. The required pressures are, to be sure, enormous and were without precedent for any technical realization of such a method on a large scale at the time when BERGIUS carried through his experiments (during the last years before the beginning of the world war). They are in the order of magnitude of 300 atmospheres. First starting with small apparatuses the I.G. Farben managed, by tenacious detailed work, to master these enormous pressures in always larger apparatuses, so that reaction chambers are customary to-day which for a length of 18 meters have more than one meter of diameter and a wall-thickness up to 15 centimeters. It is a matter of course that the production of such reaction chambers constitutes a special problem in itself, which could only be solved after many failures and by making use of all means and experience available. Another important difficulty in transforming coal into oil was to make this process continuous. While the experiments were carried through on small quantities in vessels, an economic success with large-scale industrial application was conceivable only if one succeeded in subjecting the raw material to the different phases of procedure in an uninterrupted flow. Whereas it is possible without particular difficulties to carry through such procedures with liquid raw-materials, the utilization of solid coal caused considerable difficulties. Already BERGIUS conceived, for this purpose, the happy idea, still applied to-day, of approximating solid coal to a liquid to such an extent that it can be pumped and transported like a liquid. Coal is ground to powder and mixed with a part of its liquefaction products, so that it forms a fluid-like paste. Also another way was used in order to avoid these difficulties with solid coal, namely, to separate those components of coal which can easily be liquefied and to transform only these to mineral oils. For when coal is heated (smouldered) one component separates itself from the coal which at increased temperature can be kept liquid, namely tar. Individual kinds of coal are especially rich in tar, so that in their case it pays to produce this substance by smouldering. But in this case provision must be made so that the residue from the low temperature distillation, coke can be utilized otherwise.

The further work for the improvement of the existing method at the I.G. dealt with sufficiently speeding up the reaction between coal and hydrogen and to direct them toward specially desired mineral oil qualities. The means for this purpose is the utilization of catalysts; these are substances which are added in small

142



quantities to the raw material, producing the described effect. For the discovery of the catalysts best suited in this case the I.G. was able to fall back on great experience in the control of other reactions.

Using some photos made in high pressure hydrogenation plants which are already in operation, the operation of this process will be described herein after in a simple manner:

I.G. Process

1. Pea coal freight car
2. Winkler Generators
3. Compressors
4. Reaction Chambers
5. Tar tank car
6. Distillation
7. Gasoline tank car

The tar extracted from coal by a low temperature distillation process is brought in from the distillation plant by means of tank cars. This tar is at first freed from water and solid impurities and then it is transmitted to a distillation plant, where the small amounts of gasoline contained in the tar are distilled off. The tar free of gasoline is taken up by pumps and is pressed into reaction chambers with a pressure of 300 atmospheres, after first having been heated up to about 450 degrees. Pea-coal is brought in in other tank cars from the distillation plant; it serves, in a special generator plant, the Winkler generators, to decompose the water vapor and to free its hydrogen. The hydrogen is purified of sulphur compounds, compressed to the required pressure and, after having been heated up, is also pressed into the reaction chambers. Here it unites with the tar to form benzine, or other mineral oils, respectively. At the same time the hydrogen fixes the impurities oxygen and sulphur contained in the tar and thus they can be extracted separately in the form of gas. The product of the reaction is again distilled in order to separate it into its components. A part of this product of reaction, which has not yet absorbed a sufficient amount of hydrogen, is returned to the reaction chamber. The parts usable as mineral oils are purified after having left the distillation, cut down to commercial requirements and are finally taken from the plant to the commercial organization by means of special tank cars. The method just described for obtaining mineral oils from coal is varied for the various fields of application according to the special nature of the raw material and is adapted to local conditions. This adaptability of the method and the perfection which it attained in its development over a period of now twenty years, are the reason for the fact that the majority of the new efforts for obtaining mineral oils within the framework of the Four Year Plan are directed towards utilization of this method.

We must consider it as a stroke of great luck that, at the moment when we see ourselves forced to use great quantities of our coal for the production of mineral oils, we have at our disposal not only the method of high pressure hydrogenation, but also a whole series of other possibilities, of which I want to mention the power fuel synthesis according to FISCHER-TROPSCH, the KOTT-EROCHE method, the WILHE method, the low-temperature distillation and tar cracking. The power fuel synthesis according to FISCHER-TROPSCH, is, next to the I.G. high pressure hydrogenation, the most important one at the present time; compared with that latter method it is relatively young. It originated in the Coal Research Institute at Muehlheim on the Ruhr, where it was developed, from 1926 on, by Privy Councillor Franz FISCHER and his assistant Hans TROPSCH after certain preliminary experiments. The industrial application of the method on a large scale is closely connected with the name of the Ruhrchemie A.G. in Holten and its technical leaders.

The FISCHER-TROPSCH method takes a basically different course than the high pressure hydrogenation and, in a certain sense, can be regarded as its counterpart. Its basic idea is to obtain at first, in as simple and pure a form as is possible, from our raw materials coal and water, the basic materials carbon and hydrogen, which are necessary for the composition of mineral oil, in order to compose from

(page 274 of original, cont'd)

these simple building blocks the more complicated ones of mineral oil. These simple building blocks of carbon and hydrogen are obtained by gasification of the coal by means of water vapor. By passing the synthetic gas developed through this gasification over certain finely distributed materials at normal pressure and at a slightly elevated temperature, mineral-oil-like chemical compounds arise therefrom. This method seems very simple if we look at it the way we just did. The way from the conception of the thought to a successful experiment and finally to results satisfactory for industrial application on a large scale was full of obstacles, and often not very hopeful looking. As far as the experimental part was concerned, the main difficulty was to find enough effective contact substances, i.e., those materials which cause the transformation in the synthetic gas to mineral oil products, which make possible the commercial application of the method. Many hundreds of differently composed substances have been tested for their effectiveness in the described way at the Coal Research Institute in Muehlheim; in the end it was found out that the most effective contact is obtained by distributing cobalt metal with small additions of other metals very finely into kieselgur (infusorial silicate). For the industrial application of this method on a large scale two difficulties proved to be especially adverse: In the formation of mineral oils from synthetic gas a large amount of heat is liberated. However, the process can only be carried through if the temperature of the gas is kept constant at a very definite level. Means had to be found, therefore, to make sure that the heat freed by the reaction is eliminated with certainty. The contact furnaces used at present represent a means for safe control of the temperature. -- The other difficulty was the fact that the synthetic gas may be brought into contact with cobalt metal only when it is completely free of sulphur. Synthetic gas, however, obtains from the coal substantial amounts of sulphur, which is partly fixed to carbon. Today one has succeeded in eliminating this sulphur in a simple way from the synthetic gas before it is passed over the contact. Of the FISCHER-TRAPSCH method, as well as of the high pressure hydrogenation method it can be said today that its industrial applicability on a large scale is assured, so that it is at the disposal of the Four Year Plan, as far as the raw material and other local basic conditions are favorable to its applicability.

There are already several plants in operation which work according to the FISCHER-TRAPSCH method. Some pictures taken at one of these plants will serve in the following to further illustrate the working method (see the accompanying plate):

In the motor fuel plant which we are using here as our model, synthetic gas is, for example, manufactured from lignite briquets. The synthetic gas goes from the gas producing plant to the sulphur purification plant. At first the sulphur bound to hydrogen is extracted at normal temperature by means of bog iron-ore and then the sulphur bound to carbon is extracted at a slightly higher temperature by means of a special working substance. The synthetic gas thus purified goes to the contact furnaces of which a great number (at this plant well over one hundred) are needed to cope with the great quantities of gas. In these contact furnaces, filled with the above-



(page 274 of original, cont'd)

mentioned finely distributed cobalt metal, the formation of mineral oil products from synthetic gas takes place. The mineral oils are contained in the form of vapor in the gas leaving the contact furnaces. The parts boiling at a higher temperature are eliminated by injecting water into the gas stream and by the cooling of the gas stream resulting from this treatment. The parts boiling at a lower temperature are precipitated in activated coal. In this activated coal plant the effective component is an especially prepared coal which, by virtue of its large surface, has the quality of holding gaseous bodies. By heating these gases afterwards they can again be freed. The fractions of mineral oil boiling at high and low temperatures obtained in this manner are either decomposed in a distillation to diesel oil, gasoline, and by-products, or, if the result to be achieved is only gasoline, they are further processed in a cracking plant. In such cracking plants higher boiling mineral oils, which cannot be used as gasoline, are decomposed to lower boiling gasolines through the effects of increased temperature; the raw gasoline is, in special washing and purifying machines, finally brought to the characteristics necessary for commercial gasoline and leaves the plant in tank trucks.

FISCHER - TROPSCH - PROCESS

1. Coal train.
2. Synthetic Gas Production Plant.
3. Sulphur purification.
4. Contact Furnaces.
5. Condensation and Activated Coal Plant.
6. Distillation and Cracking Plant.
7. Storage Tanks.
8. Tank Cars.

(page 276 of original)

THE FOUR YEAR PLAN

Issue 5

In comparison with the foregoing description of a high pressure hydrogenation plant, it is striking with regard to this synthetic plant, that all processes occur under usual pressure, so that, to be sure, all the mobile quantities of gas and the pipe cross sections are very large, but on the other hand the mechanical part (compressors, pumps, etc.) recedes. In this respect a plant operating according to the Fischer-Tropsch process is related in type to a gas plant or coking plant, and it has developed that such a gasoline plant can be advantageously annexed to gas or coking plants. For the production of the synthetic gas is not limited to lignite and lignite briquetts, but it can also be produced by a particularly simple method from coal coke. With regard to coking and gas plants (particularly the former) the question of an assured coke market is decisive for the practicability of the plant, so that, in order to attain this, a gasoline plant can form the organic supplement to a coking and gas plant.

High pressure hydrogenation and Fischer synthesis are the basic great possibilities at our disposal for obtaining mineral oil from coal. To carry out this process it was necessary to develop and test for operational readiness a series of auxiliary processes, without which to a certain extent the carrying out of mineral oil extraction from coal would not have been possible at all, or its practicability would have been very doubtful. Consider in this connection, the development of the distillation process, the gasification of various types of coal, the production of hydrogenation hydrogen, etc. At present all these auxiliary processes have reached a certain maturity, which justifies the establishing of such plants on a large scale.

As is known, our consumption of mineral oil includes various types which can generally be grouped under gasoline, diesel fuel, illuminating oil, lubricants, fuel oil, etc. Now it is an important question, whether the processes at our disposal for obtaining mineral oil from coal, are likewise suitable for the production of all these various mineral oil products. This question can definitely be affirmed. There is no basic difference between the various mineral oil products mentioned above; they are all related allied products of the vast group of hydrocarbon compounds, which for the most part differ only in the proportionate quantities of carbon and hydrogen, and in the arrangement of these two building blocks. Therefore it is basically possible to produce all mineral oil products mentioned above by the methods previously described; only the amount to be expended varies with the different products. To give an example: in general it is so much the more expensive to produce a mineral oil product from coal the greater the hydrogen content is, since coal is relatively lacking in hydrogen and the latter must be specially produced, and introduced into the coal.

(page 273 of original, cont.d)

As gasoline contains about 14.5 percent by weight of hydrogen, but diesel oil 13% by weight and less, the production of diesel oil will therefore be cheaper than that of gasoline. As compared to the natural mineral oils we are in the fortunate position that the best motor fuels and other mineral oil qualities which can be produced from them (natural mineral oils) can be attained offhand and surpassed without difficulty by our synthetic processes. We are able to produce the best aviation gasoline as well as the highest quality lubricating oils from coal.

The following doubts with regard to our efforts to completely adjust Germany's mineral oil basis on the raw material coal could be expressed:

1. Is Germany's wealth in coal so great that no ruthless exploitation is carried on in this way?
2. Are we in the position to produce motor fuels so cheaply from coal that the selling price presents no hindrance to the maintaining and extension of our motor transportation system?

Both objections can be contradicted with statistical material, the validity of which is proved by the operation of our large plants, which in part have been working for years. For instance, to produce a ton of gasoline, there are needed according to the type of process being used about 22 tons of raw lignite or 4.5 tons of coal or 1.25 tons of tar obtained by distilling lignite. On the other hand, Germany's demonstrated lignite reserves consist of about 50 billion tons and of coal of more than 100 billion tons, and the annual production figures for lignite are about 137 million tons, and for coal, about 140 million tons. The juxtaposition of these figures indicates that these quantities of coal required for the production of the entire German mineral oil needs, which up till now was approximately 4.0 million tons annually, constitute only a fraction of the present coal production and are relatively slight in comparison to the reserves. The price question is disposed of in a similarly unmistakable way in that arising from the production costs of gasoline from coal, no changes according to orders of magnitude in the present price level of mineral oils need occur. Naturally gasoline and other mineral oils cannot be produced as cheaply from coal as from petroleum.

As very large quantities of capital are required for the establishing of plants for the production of mineral oil from coal, great urging was necessary in the case of a few construction projects of recent years in order to stimulate private industry in this respect. In times of weak government leadership the fact that foreign oil was obtainable on the other side of our customs boundaries, at a far lower price than it could have been produced from coal by us,



(page 276 of original, cont'd)

must have had a very crippling effect on the initiative of our industry in this direction. As is known, the Fuehrer, shortly after coming to power already gave the impulse for the motorization of Germany and the establishing of our own mineral oil basis at the Automobile Exhibition in 1933. The conversion of this impulse into actual fact is first of all closely linked with the name of the Reich Minister for Economics, Dr. SCHACHT. The way in which the new knowledge was converted into actual fact is characteristic for the impetus given to our economy by National Socialism. KUEPFER, the plenipotentiary of the H.S.D.A.P. for economic questions, deserves particular credit for his efforts to carry out the plan. Whoever compares the economic history of National Socialist Germany with that of foreign nations, will realize with great admiration with what surprising speed and simplicity events of the greatest extent took place once they were recognized by the leaders as being essential and right; no consultations and debates lasting for months, no energy-consuming struggles with the opposition. The Reich Minister for Economics invited all authoritative leaders of the lignite industry to a meeting in the fall of 1934. Details of the subject to be discussed were not known; but already after 40 minutes every participant knew it, and after another 10 minutes the decision had been made: the entire German lignite industry will begin immediately with the construction of motor fuel plants, which must have the capacity of producing at least half a million (tons) of motor fuel annually, a few modest objections here and there suffocated in the realization of the overwhelming facts: complete application of all possibilities offered by the wealth of coal in German soil, for the achievement of self-sufficiency in motor fuels! That was the hour of birth of the Braunkohle-Benzin (Lignite-Gasoline) A.G. which immediately began construction of three motor fuel plants. In the fall of 1936 all three plants were already in operation and since then offer new employment to thousands of fellow citizens. In 1937 already these plants will be in the vanguard with respect to coverage of our motor fuel requirements.

(page 277 of original)

Parallel to the foundation of the Braubach ran the I.G. Farben-industry's initiative which further extended the Leuna-Werk, where gasoline was manufactured from coal for years already. The construction of gasoline factories in the West (Ruhrchemie, Hibernia, Kloeckner-Intershall and others) also occurs in this building period.

It owes it to the construction of these plants that today one realizes more distinctly the methods to be applied in obtaining mineral oils from coal than was the case in 1933/34, so that today, without taking special risks, a development of the German fuel industry on the largest possible scale can be tackled. At the end of this first building-up period of the German fuel industry it must be noted with special recognition that the I.G. Farbenindustrie has a great share in the meritorious work of speeding up this construction program. At all times we regarded ourselves very lucky that the staff of expert engineers of this large plant was at our disposal in an advisory and actively assisting manner. Since the experiences with mineral oil and especially the obtaining of the same from coal were principally with the I.G. Farbenindustrie at the time the construction of the new plants was started, the present construction program could hardly have been completed during the period which was at our disposal without its energetic assistance.

Now the Four Year Plan will start and complete the construction of new mineral oil plants on such a scale that, more than ever, the cooperation and full employment of the entire German economy will be required, so that the bringing under one head and guiding of all people entrusted with these tasks up till now and those from the state, party, and economy that will be newly engaged with them, will be one of the most indispensable prerequisites for the success of this great plan. The Prime Minister, Generaloberst GOERING, entrusted with this task by the Fuhrer, and all offices set up by him have called upon the same men who constructed the plants producing mineral oil which are already in operation, to assure the continuation of all measures to be taken. For this reason the Mineraloelbau-gesellschaft was founded a short time ago, which, in cooperation with the Office for German Raw Materials and Plastics, will plan and carry out the major part of the new construction plans, and which appears to be a suitable instrument to guarantee the Four Year Plan as far as mineral oil is concerned by employing the best knowledge and experience already known.

The announcement of the Four Year Plan brought forth a tremendous echo in foreign countries also. The interest for our new plan attaches, on a still greater scale, to the new technical possibilities created by us, which have no equal in the whole world. Just as the invention and development of the processes

(page 277 of original, cont'd)

for obtaining mineral oils from coal alone are a triumph of German science and technology, so also the conversion of the whole motor fuel economy of a people on the basis given to it, as we are now beginning it, is unique and without precedent in the whole world. Though the results of our planning will, above all, be for the benefit of our national economy and the strength and independence of our nation, there is however no doubt that we thereby will also be rendering a good turn to the whole world. Therefore the author was also able to close his report to the third World Power Conference held in Washington in September 1935 concerning the German industry for obtaining motor fuels from coal with the following words: "With the obtaining of motor fuel from coal we hope to make a contribution to the world and to guarantee its supply of energy into the most distant future. Even though the extent of the petroleum deposits of the world cannot yet be fully estimated, there is however the assurance that, in any event, the extent of the coal deposits of the world, expressed in heat units, is many times as big. If one assumes that new discoveries of petroleum deposits worth mentioning will not be added anymore to those already known then, especially with regard to the steadily growing consumption of liquid motor fuels, the generation which is being born during these years will yet live to see a scarcity of the world's oil reserves. At this period the obtaining of motor fuel from coal will be one of the most important industries of our circle of civilization."

Even in the present aims and backgrounds of the political events of the world the present processes of obtaining fuel from coal are destined to start a radical change which should contribute a great deal to the peace of the world. Up till now the guaranteed possession of oil fields was one of the main prerequisites for making a nation a great power. Therefore the acquisition of oil fields and making them secure and accessible was a factor of prime importance in world politics. Our processes put the possibilities of oil supply on a much broader basis than hitherto, which should to a certain extent, enable every nation to become independent in the supply of oil. These facts are already beginning to become noticeable even politically. Some day they will be recognized as another contribution of Germany to the assurance of world peace.

The Four Year Plan is nothing more than the endeavor of our people to break out of too confining a space into a greater opportunity to work. It is significant not only with respect to political economy, but, it will revolutionize our whole way of thinking.

Hermann RIEDEL at the opening  
of the Reich exhibition "Schaffendes  
Volk" ("Working People") in "Düsseldorf."

CERTIFICATE OF PRESENTATION

24 June 1947

I, Herbert RODECK, No. B 397 944, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of the document No. NI-6630.

TRANSLATION OF EXCERPTS OF DOCUMENT No. NI-7373  
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES

20

WHO'S WHO ?

of the leading men in industry

and industrial

administration

Including an address book of the Directors and Aufsichtsräte

1941/42

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Aktiengesellschaft

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of the Legal Department

10 April 1942

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Special Archives of the German Industry

Published by HOPPENSTEDT & CO./BERLIN G2



TRANSLATION OF EXCERPTS OF DOCUMENT No. NI-7373  
CONTINUED

(Extract from page 2 of original)

.....

K o p p e n b e r g, Heinrich, Dr. of Technology h.c., Dr. of  
Engineering E.h., Office: Berlin W 9, Bellevuestrasse 11a,  
Private address: Berlin-Grünwald, Taunusstrasse 7  
Born 15 March 1880 in Herne/Westphalia

**Military Economy Leader**

Chairman of Vorstand: Deutsche Versuchsanstalt fuer Luftfahrt  
e.V. Berlin

Junkers Flugzeug- und Motorenwerke AG., Dessau

Vorstand: Hansa Leichtmetall AG., Berlin

Manager: Gesellschaft zur Verwaltung von industriellen Werten  
mbH. Berlin

Chairman of Aufsichtsrat: Mineraloel-Baugesellschaft mbH. Berlin

Aufsichtsrat: ATG Allgemeine Transportanlagen GmbH Leipzig

Auto Union AG., Chemnitz

Duerener Metallwerke AG., Berlin-Borsigwalde

Eisenwerk-Gesellschaft Maximilianshuetten, Rosenberg

Hannoversche Maschinenbau AG., formerly G. Egesterff (Hanomag)  
Hannover-Linden

Mitteldeutsche Stahlwerke AG., Riesa/Elbe

Pittler Werkzeugmaschinenfabrik AG., Leipzig

Waggon und Maschinenfabrik AG., formerly Busch, Bautzen

Advisory Committee: Fahrzeug- und Motorenwerke GmbH., formerly

Maschinenbau Linke-Hofmann, Breslau

Magdeburger Werkzeugmaschinenfabrik GmbH., Magdeburg

Reich Group for Industry, Magdeburg.

CERTIFICATE OF TRANSLATION

8. August 1947

I, VICTORIA ORTON, ETO-20129, hereby certify that I am  
thoroughly conversant with the English and German languages  
and that the above is a true and correct translation of the  
document No. NI-7373.

VICTORIA ORTON  
ETO-20129

AFFIDAVIT

I, Dr. ERNST STRUSS, Director of I.G. Farben, Chief of TEA Bureau of I.G., Secretary of the Technical Committee of the Vorstand of I.G., Manager of Division II (Sparte II) of the Vermittlungsstelle W, and, since 1943, Production Manager of the entire German dyestuffs industry within the framework of the Economic Group Chemical Industry, after having first been warned that I will be liable for punishment for making a false statement, state herewith under oath, of my own free will and without coercion, the following:

I. The total German fuel consumption amounted in 1932 to less than 2,000,000 tons, in 1934 it increased to about 2,500,000 tons, and in 1936 it reached about 5,000,000. Up to 1932 Germany had to cover her needs almost entirely by imports. I.G. Farben, however, developed the hydrogenation process whereby coal could be converted into gasoline. By spring of 1933 Farben's quantity production of synthetic gasoline. I.G. produced gasoline in Leuna.

Farben's share in Germany's synthetic gasoline production however is much higher than that, since Farben gave its processes, technical assistance and know-how to a number of other firms which manufactured synthetic gasoline under licensing agreements with Farben. The following German firms had licensing agreements with I.G.:

|                     |                 |
|---------------------|-----------------|
| Scholven (Hibernia) | ) Brabag Plants |
| Boehlen             |                 |
| Magdeburg-Rothensee |                 |
| Posnitz             |                 |
| Gelsenberg (Krupp)  |                 |
| Wesseling           |                 |
| Bruecks             |                 |
| Blechhammer         |                 |

and others.

Since January 1936, however, by decree of the Reich, 10 % methanol had to be added to all fuel, synthetic as well as natural. I.G. Farben is the only large-scale methanol producer in Germany and by supplying the necessary amounts of methanol to the gasoline producers it made a further outstanding contribution towards making Germany self-sufficient in regard to gasoline.

Altogether I.G. and the firms working under I.G. licenses produced about 90 % of the total German synthetic gasoline.

II. Farben also solved the problem of manufacturing synthetic lubricating oil. Germany's consumption of lubricating oil was in 1932 about 300,000 tons; 1934 about 400,000 tons; and in 1936 about 500,000 tons. Before I.G. came into the field, lubricating oil was won from crude oil, and 70 % of the German requirements were supplied by the Hanover-Nienhagen district. Since this crude oil, however, was supposed to give out by 1941 or 1942 at the latest, synthetic production of lubricating oil became particularly urgent. I.G. Farben developed a process enabling it to manufacture lubricating oil from gases produced in connection with coal hydrogenation. In 1943 I.G.

Farben supplied all the synthetic lubricating oil manufactured in Germany. Synthetic lubricating oil was produced in the I.G. plants: Schkopau, Leuna, Moosbierbaum and Heydebreck.

III. Without I.G. Farben's contributions in the synthetic gasoline and lubricating oil field it would have been impossible for Germany to motorize the Wehrmacht and to go to war.

I have carefully read each of the 3 pages of this declaration and have signed them personally. I have made the necessary corrections in my own handwriting and initialed them and I declare herewith under oath that I have given the pure truth to the best of my knowledge and conscience.

sign.: Dr. Ernst A. Struss  
DR. ERNST STRUSS

Sworn to and signed before me this 2 day of June 1947 at Frankfurt/Main by Dr. ERNST STRUSS known to me to be the person making the above affidavit.

sign.: Otto Heilbrunn  
DR. OTTO HEILBRUNN  
CIVILIAN, ETC 30140  
Office of Chief of Counsel  
for War Crimes  
U. S. War Department

"A CERTIFIED TRUE COPY"

- 3 -

( E N D )



AFFIDAVIT

I, Dr. ERNST STRUSS, Director of I.G. Farben, Chief of TFA Bureau of I.G., Secretary of the Technical Committee of the Vorstand, Manager of Division II (Sparte II) of the Vermittlungsstelle W, and, since 1943, Production Manager of the entire German dyestuffs industry within the framework of the Economic Group Chemical Industry, after having first been warned that I will be liable for punishment for making a false statement, state herewith under oath, of my own free will and without coercion, the following:

a) Buna

I.G. was the only concern in Germany which could develop the production of synthetic rubber and assist in overcoming the difficulties of processing it. In 1936, the beginning of the first Four-Year-Plan, the technical development reached a point which assured the production of Buna S on a larger scale. It would not have been possible to carry on the war for several years without I.G.'s Buna.

b) Synthetic Gasoline

After six years of efforts, I.G. solved the question of producing synthetic gasoline from brown coal on a large scale in the spring of 1933. Two or three years later the problem of producing synthetic gasoline from anthracite was also brought to a solution. Since there is hardly any natural oil in Germany, and the Fischer-Tropsch method yielded only a poor gasoline, the

experience of I.G. in this field was absolutely necessary for the conduct of a prolonged war. The same applies to high octane fuels where I.G. was the only concern with sufficient experience at the beginning of the war.

I have carefully read each of the two pages of this declaration and have signed them personally. I have made the necessary corrections in my own handwriting and initialed them and I declare herewith under oath that I have given the pure truth to the best of my knowledge and conscience.

s./ DR. ERNST STRUSS

(signature)

Sworn to and signed before me this 29 day of May 1947 at Frankfurt Main by Dr. ERNST STRUSS known to me to be the person making the above affidavit.

s./ DR. OTTO HEILBRUNN  
Civilian ETO 30140  
Office of Chief of Counsel  
for War Crimes  
U.S. War Department

"A CERTIFIED TRUE COPY"

- 2 -

(END)

158

Supreme Command of the Wehrmacht  
AZ. 13/1 W1 Ant/2 3/c  
No. 37353/42 R

Berlin, 12 June 1942

Secret.

Re: Employment of civilian foreign workers and PW's in mineral oil, buna-, light metal and similar plants.

Up to now, the employment of foreign workers in the above mentioned plants was subject to extensive restrictions owing to the special character of those plants. The situation of labor allocation requires an easing of those instructions. It is therefore ordered that:

Foreign workers, including Russian PW's and Russian civilian workers can be employed in plants of similar productions, in mineral oil, buna and light metal plants and of similar type and importance under the following conditions:

- 1.) The general instructions for the employment of foreigners are to be enforced rigidly.
- 2.) Employment can only be according to a table of organization, which has to be drawn up by the works management with the agreement of both the plant counter-intelligence organizations and the intelligence officer concerned, and which is subject to the approval of the G.I. Chemie (General Plenipotentiary for the Chemical Industry), or, in some cases of the OKW W1 Ant (Supreme Command of the Wehrmacht, Economic Office). The table of organization also has to include measures of protection (such as supervision by German foremen, instruction of the German labor, etc.) as well as the maximum number of the foreigners which are admissible for employment in the works.
- 3.) The foreigners may not be allowed to obtain any information on matters which require secrecy.
- 4.) Employment at key points of at points where there is particular danger of sabotage remains prohibited.

(Translator's Note: Illegible handwritten notations).

(Page 3 of original)

Thus, the employment of foreigners is strictly prohibited:

- a) in Mineral oil plants:
  - in water and power stations
  - in Box Header Boilers or furnaces
  - in compressor and pump buildings
  - in gas production
    - " purification
    - " decomposition
  - in distillation
  - in tank installations

- b) in Duna plants:  
in high pressure hydrogenation  
in polymerization  
in power stations  
in the gasification of Acetylene, or  
in gas production.
- c) in light metal plants:  
in very complicated installations, such as rectifier and switch  
installations, etc. of the aluminium foundries,  
in the boiler installations and power stations of the  
aluminium plants.

5.) The above mentioned instructions do not concern the engagement of  
foreigners as employees in the above mentioned plants. For those the  
instructions of OKW/Amt Ausl/Abw.Abt.ABW (Office for Foreign Intelligence)  
III No. 2029/3,42 g (III W1 - 4) of 29 April 1942 remains effective.

The Chief of the Supreme Command  
of the Wehrmacht :

(signed) KEITEL

Certified:  
(Illegible Signature)  
Colonel.

(Page 3 of original)

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16W



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| Reserve  | 10        |
| Draft  | 1         |
|  | <hr/> 268 |

CERTIFICATE OF TRANSLATION

I, DOROTHEA L. GALEWSKI, M.P. NO. 34079, hereby certify that I am thoroughly conversant with the English and German languages; and that the above is a true and correct translation of Document No. EC-186.

DOROTHEA L. GALEWSKI  
 M.P. NO. 34079

END

101

EXCERPTS OF DOCUMENT NO.-  
NI - 10507  
OFFICE OF CHIEF OF COUNSEL  
FOR WAR CRIMES

(page 1 of the original)

PETROLEUM FACILITIES OF

GERMANY

Prepared by  
The Enemy Oil Committee  
for the  
Fuels and Lubricants Division  
Office of The Quartermaster General

March, 1945

C O N F I D E N T I A L

COPY NO.

(page 3 of the original)

GENERAL - 143  
Synthetic oil4.0 SYNTHETIC OIL PRODUCTION4.1 GENERAL

The outstanding feature of German oil economy during the past ten years has been the spectacular development of her synthetic oil plants for the production of oil from coal. This attempt at complete oil autarchy, made without regard to cost or orthodox financial considerations, has no parallel elsewhere and is a striking example of the character of the German master plan for world domination which called for the production, within her own boundaries, of all the resources essential to modern warfare. It is evident that one of the essentials in such a plan is the securing of adequate oil supplies and since the attempt to find natural petroleum deposits within her own borders met with a very limited success Germany naturally turned to other expedients. The complicated structure of the enormous synthetic oil industry has been built up; therefore, on the basis of political and strategic expediency, and on the foundation of Germany's wealth of coal deposits, especially of lignite or brown coal, as compared with her poverty in natural oil resources.

The extent to which the programme of synthetic production has been carried forward may be illustrated by the fact that approximately five out of every six gallons of gasoline and gas oil produced in Germany are derived not from oil wells, but from synthetic oil plants, and that the German synthetic production amounts to something like 60 per cent of total European (a) natural crude oil production.

A detailed history and an accurate economic appraisal of the synthetic oil industry is rendered difficult by the fact that, almost from its inception, the Germans realized the potential strategic importance of this industry, with the result that all but its broad outlines were closely shrouded in a cloak of secrecy, as were many features of their armament industries and other important elements of their national planning. Also, despite the rapid basic progress made in the prewar years, the greatest expansion in the synthetic industry actually has taken place since 1936. However, as a result of certain early commercial contracts a considerable amount of technical data were acquired from the Germans prior to the war which, supplemented by Allied aerial reconnaissance over the German synthetic plants themselves, has made possible fairly accurate appraisals of their processing methods and capacities.

What the synthetic program has cost the German nation, either in terms of monetary investment or of materials and manpower required for the construction and operation of the plants and the production of the required coal, has never been revealed. The structure of the industry is so complicated by government participation that it is difficult to estimate with any accuracy the capital investment in the synthetic oil industry or the cost of the synthetic oil produced.

163

(page 3 of the original cont'd)

Both, however, are known to be enormous as compared to the cost of plant and production in the natural petroleum products industry. It has been estimated that the present German synthetic plants (b), having a total capacity of close to 3,000,000 metric tons of product per year, cost something like 4 or 5 billion Reichsmark or 1.6 to 2 billions of dollars. This is said to be from ten to thirty times the plant cost to produce similar quantities of liquid fuels from petroleum, depending upon the processes used.

By way of further comparison, prior to the war, the cost of a gallon of gasoline ex American refineries, excluding profits and taxes, was generally considered to be approximately 4 U.S. cents per gallon (adding some 2 cents for profits and shipping cost this gasoline could be laid down in Germany for about 6 cents per gallon), while the cost to manufacture a gallon of gasoline from coal by either of the major synthetic processes is at least 20 cents (c), or five times as great.

(a) Excluding ussia.

(b) The bare plant cost exclusive of mines, coke ovens, coal carbonization plants, or other ancillary or auxiliary processes.

(c) Approximately 200 Reichsmarks per ton.

(page 4 of the original)

144 - SYNTHETIC OIL

## Principal companies

In consideration of the foregoing, as well as for other reasons, the participation of the German petroleum companies, and particularly those with international affiliations, in the synthetic oil industry has been small. Rather, it is the German coal, chemical, and heavy industries, under government direction and subsidy, which have been responsible for the development of synthetic plants and production.

From its earliest days the synthetic oil industry has been the subject of government encouragement and subsidies, and eventually and inevitably due to the magnitude of the program and the nature of the German state, to government direction and control. All the experimental work with the process discovered by Professor Bergius was carried on under the sponsorship of I.G. Farbenindustrie, and the second of the two main synthetic processes was worked out by Professor Fischer and Dr. Tropsch under the auspices of the Ruhr Coal Owners Association, but because of the heavy investments required, industry was slow to embark on large scale commercial production. However, the leaders of the German coal, chemical, and heavy industries no doubt realized the vital role these processes might play in any future war and proceeded with their development fully confident that any German government would, sooner or later, foster their growth.

The advent of the Nazi government merely accelerated the development of this and other German key industries by greatly increasing the already existing governmental subsidies and direction. This trend came into full maturity with the inauguration of the Four Year Plan under which all resources and industries were incorporated in a gigantic and strictly controlled production program, subordinated to national strategy, regardless of the usual commercial and economic considerations. To carry out the ambitious and vital synthetic program, companies, in which the coal, chemical, and heavy industries participated, were formed under State direction. The State assisted by granting extensive and generous credits and subsidies, which, in many cases, covered half the cost of new plant construction which from then on was pushed with intensity. As pointed out under "Government Corporations" on page 13, all the companies in the

104



(page 4 of the original cont'd)

industry must belong to the "trade association", Wirtschaftsgemeinschaft Kraftstoffindustrie, through which channel government instructions to the industry are passed.

4.2. PRINCIPAL COMPANIES

Although German corporate structures are complex, the more important companies that have been identified as engaged in the production of synthetic oil in Germany are listed below. Further details on these and other companies may be found in the Germany year book "Handbuch der Internationalen Petroleum-Industrie".

Braunkohlen-erz A.G. (Braun). - This company with head office at Berlin W8, Schinkelstrasse 1/2, was formed in 1935, under State direction which required joint participation by the various German brown coal (lignite) interests. The capital stock is subscribed jointly by:

(page 5 of the original) SYNTHETIC OIL -145  
Principal companies

Hydrierwerke Pöhlitz A.G. - Hydrierwerke Pöhlitz A.G., with office and plant at Pöhlitz, was founded in 1937 by I. G. Farbenindustrie with a capital of RM. 20,000, under the name Hydro G.m.b.H. Later the capital was raised to RM. 4 million, and the name changed to Norddeutsche Hydrierwerke G.m.b.H. Still later capital was increased to RM. 80 million and the name changed to Hydrierwerke Pöhlitz A.G. The capital was later reported increased to RM. 110 million. The capital stock is held as follows:

|   |             |
|---|-------------|
| I. G. Farbenindustrie A.G.              | 75 Per cent |
| Ammoniakwerke Borsberg (a)              | 34 " "      |
| Deutsche Gasolin A.G. (a)               | 6 " "       |
| Deutsche Schickler & Co. (working form) | 35 " "      |

I. G. Farbenindustrie has assumed a 35 per cent guarantee, and the Industriebank Berlin a 75 per cent guarantee covering a bond issue of RM. 80 million.

I. G. Farbenindustrie A. G. Farbenindustrie A. G., head office Frankfurt, occupies the leading position in the German chemical and synthetic oil industries. This company holds the Bergius hydrogenation process patents and was the pioneer of experimental and commercial production at its Lanna plant operated by a subsidiary company, Ammoniakwerke Borsberg G.m.b.H. Together with Ammoniakwerke Borsberg and Deutsche Gasolin A.G. (also a partial subsidiary of I. G.), I. G. has a controlling interest in the Pöhlitz synthetic oil plant, and, though details are lacking, is known to have a large interest in the two plants at Leckhammer and in a plant at Oswiecim in Poland.

(a) This company is a subsidiary of the I. G. Farbenindustrie A.G.

165

146 - SYNTHETIC OIL  
Processes

(page 6 of the original)

4.3 PROCESSES4.3.1 General

The four important processes in use for the synthetic production of oil are:

(page 7 of the original)

SYNTHETIC OIL

High temperature carbonization

1. High Temperature Carbonization of coal (cokes ovens and gas plants). (H.T.C.)
2. Low Temperature Carbonization of coal, lignite, shale, etc. (L.T.C.)
3. Hydrogenation (Bergius-I. P.).
4. Hydrocarbon Synthesis (Fischer-Tropsch).

It is the last two of these processes that are commonly thought of when synthetic oil is mentioned and which are, by far, the most important means of production.

All these processes are more or less closely interrelated. Ordinarily, the low temperature carbonization (L.T.C.) plants are operated as auxiliaries to hydrogenation plants, the tar produced by the L.T.C. plants providing the feed stock for the hydrogenation plants. The low temperature coke produced as a by-product in these plants is mostly utilized as fuel for big power plants, whereas a smaller part is used for the manufacture of hydrogen for hydrogenation plants or other chemical enterprises. High temperature carbonization plants are usually run primarily for the production of metallurgical coke or for the production of industrial or town gas and the tars produced are merely by-products. Consequently, there is ordinarily no such close tie-up between these plants and the hydrogenation plants as exists in the case of the L.T.C. plants. In common practice the liquid products from all these processes are referred to as synthetic oil, though technically only the Fischer-Tropsch is truly a process of synthesis.

The fundamental fact upon which the manufacture of synthetic oil is based, is that coal contains the same basic elements as petroleum, but in different proportions, and the conversion of coal into oil, stating the problem in its simplest terms, requires the addition of more hydrogen to the coal molecules; the result is oil. The two major synthetic processes, however, differ fundamentally in their means of obtaining this end. The hydrogenation, or Bergius process, proceeds to liquefy coal with hydrogen under great pressure. The Fischer-Tropsch process is one of synthesis—that is, it first reduces the coal to a simpler form, similar to water gas, and then builds up this gas to liquid oil.

Considerable work has been done on the development of the Pott-Broche process where coal is de-ashed by solvent-extraction and the resultant pitch hydrogenated, but this is a variation in detail rather than in principle and has not reached great importance industrially.

4.3.2 High Temperature Carbonization of Coal

This process is over 100 years old, and is widely used throughout the industrial world primarily for the production of metallurgical coke and gas. Coke ovens and gas plants distill coal at high temperatures (above 900°C). In the process about three per cent tar and one per cent crude benzol is produced, depending on the type of coal used. These by-products are essential in the manufacture of chemicals, dyes, drugs, explosives, solvents, plastics and a variety of other products.

(page 7 of the original cont'd)

Much of the L.T.O. tar is a heavy pitch which is not readily convertible to liquid fuels. However, the lighter fractions of the tar, the so-called tar oils, are more readily usable as feed stock for hydrogenation (Bergius) plants. Also, a relatively small portion of the tar oils is distilled and blended by conventional refining methods to produce gas oils and fuel oils, and in some instances, low grade lubricants. Some synthetic oil is made from reacting benzol or naphthalene from L.T.O. tar with paraffin oils or wax from the Fischer-Tropsch process. However, the major production of L.T.O. products is based on the demand for coke by the steel industry and the liquid fuels production, though important, is merely a by-product.

#### 4.3.2. Low Temperature Carbonization

The low temperature carbonization of coal, lignite, shale, etc. also has been known for many years. However, it is primarily a German process and is very little used in other countries. During the ten years preceding the present war this process was greatly improved and expanded as a means for utilizing Germany's extensive deposits of low grade lignites as feed stocks for the hydrogenation (Bergius) process synthetic oil plants.

(page 8 of the original)

#### 148 - SYNTHETIC OIL Hydrogenation

The principal L.T.O. process is that developed by the Lurgi Gesellschaft fuer Vermeteknik. Lignite, after air drying to about 15 per cent moisture content (a), is briquetted and fed through a shaft divided into two compartments where hot gases pass horizontally across the briquets. In the first section the remaining moisture is driven off and the lignite preheated to reaction temperature. In the second section the volatile hydrocarbons which form the L.T.O. tar are driven off by hot gases passing horizontally through the second section. Each shaft or oven has a capacity of between 250 and 300 tons of briquets per day and a plant will have batteries of these ovens providing individual total plant capacities ranging from 500,000 to 5,000,000 tons of lignite per year. A rotating grate at the bottom removes the coke. This process is of high thermal efficiency, some 90 per cent of the fuel value of a low grade lignite being converted to tar and coke. Tens or more tons of coke, depending on the quality of the lignite, are produced for each ton of liquid tar. Most of the tar is used as feed stock for the production of gasoline and other liquid fuels by the hydrogenation process. The coke is mostly utilized as fuel for the generation of power, and some of it for the manufacture of hydrogen (H<sub>2</sub>) for the hydrogenation and other processes.

#### 4.3.4 Hydrogenation (Bergius - I.G.)

During World War I considerable amount of work was done in the German laboratories toward the manufacture of oil from coal and it was Professor Bergius of the Heidelberg University who succeeded in adding hydrogen to coal under a pressure of 200 atmospheres and a temperature between 400 and 500° C. In 1913 a small scale experimental plant to further develop the work of Bergius was built at Mannheim and in the years following World War I, considerable amounts were spent on research by the Bergius group. However, it was not until the I.G. Farbenindustrie with their much greater resources and background of experience with catalysis (I.G. developed the high-pressure synthesis of ammonia) took an active interest in the matter, that substantial progress was made with this process. Dr. Fieser developed catalysts which made it possible to convert brown coal tar into gasoline with substantially higher yields than had previously been possible and in 1927 I.G. constructed in their hydrogenation plant at Bawn, the first



(page 8 of the original cont'd)

industrial plant to produce gasoline from lignite and tar on a commercial scale. I.G. has continued to carry on intensive research for the perfecting of the process and eventually plants were constructed in Germany to manufacture gasoline and other fuels and lubricants, not only from brown coal tar but from brown coal, bituminous coal, bituminous coal pitch, etc. The center of I.G.'s hydrogenation research is located at their extensive chemical works and research laboratories at Ludwigshafen (Oppau). A location plan of this plant appears on page 214. I.G. Farbenindustrie holds the basic hydrogenation process patents in Germany, but the patent rights outside Germany were acquired by some of the American and British/Dutch Oil companies. The hydrogenation process is often referred to as the Bergius process and also sometimes as the I. G. process.

The hydrogenation process operates at high pressure (3,000 to 10,000 pounds per square inch) and at temperatures of 350 to 550° C. The feed stock may be either coal or a liquid hydrocarbon such as tar or petroleum. About half of the hydrogenation plants in Germany operate on tar produced for that purpose from lignite by the I.G. plants.

When coal is the feed stock the process is as follows. The coal is finely ground, a catalyst added, and mixed into a paste with heavy recycle oil from the process. This paste is pumped through a heating coil where it is heated to about 420-450° C, mixed with hydrogen and passed at a pressure of 300-700 atmospheres through a series of reactors (the paste contains 40 per cent pure coal (b) and 5 to 10 per cent ash), where some 90 to 93 per cent of the a.m.f. coal is converted into gaseous and liquid hydrocarbons (including wax) with a consumption of hydrogen of 7 to 10 per cent based on the a.m.f. coal. The ash, unconverted coal and catalyst

- (a) German lignite has about a 53 per cent ash and moisture content.  
(b) Pure coal is defined as ash and moisture free, often abbreviated to a.m.f. coal.

(page 9 of the original)

Technical Drawing

SIMPLIFIED FLOW DIAGRAM OF TYPICAL "STRAIGHT THROUGH" TYPE PLANT



(page 9 of the original cont'd)

are drawn off as an oil sludge, from which part of the oil can be recovered and recycled to the process. The liquid product is fractionated, the heavy fraction boiling above  $325^{\circ}\text{C}$  being recycled to paste the coal, the middle oil or  $185\text{--}325^{\circ}\text{C}$  boiling point fractions being further hydrogenated in a second stage to gasoline. The same or liquid phase product also contains some gasoline which is recovered. None of the products from this first stage of hydrogenation are finished products; they contain oxygen (phenols and cresols) and other impurities requiring further treatment. The gasoline may be hydrofined by vapor phase treatment with hydrogen over a catalyst. This hydrofining process operates to dehydrogenate naphthenes to aromatics while reducing the unsaturated oxygen compounds and removing sulphur almost completely.

The middle oil is hydrogenated in a second stage in the vapor phase over fixed bed catalysts at conversions to gasoline of from 10 to 60 per cent per pass depending on the products desired. This may be done in one or two stages. If a delicate catalyst is to be used there is a preliminary refining step with low conversion to gasoline but directed to remove oxygen and nitrogen impurities from the oil before carrying out the main reaction over a sensitive catalyst. The type of gasoline produced depends upon operating conditions. With a sensitive catalyst and low temperatures the gasoline is primarily naphthenic with an octane number of 70 to 74 (motor method), but if the conversion is carried out at high temperatures a gasoline is produced with 40 to 50 per cent aromatics. The yields are lower in the latter operation and the gases contain a substantially lower percentage of butane than in the low temperature conversion.

(page 10 of the original)

#### 150 - SYNTHETIC OIL Hydrogenation

A large excess of hydrogen is circulated through the reactors (about 10 times consumption) and an important part of the process is the purification of the hydrogen and recycling it to the process. The hydrogen is purified to 70 to 80 per cent by either of two methods: (1) by scrubbing with oil to remove gaseous hydrocarbons or (2) by fractional distillation of part of the gas at low temperatures to remove the gaseous hydrocarbons.

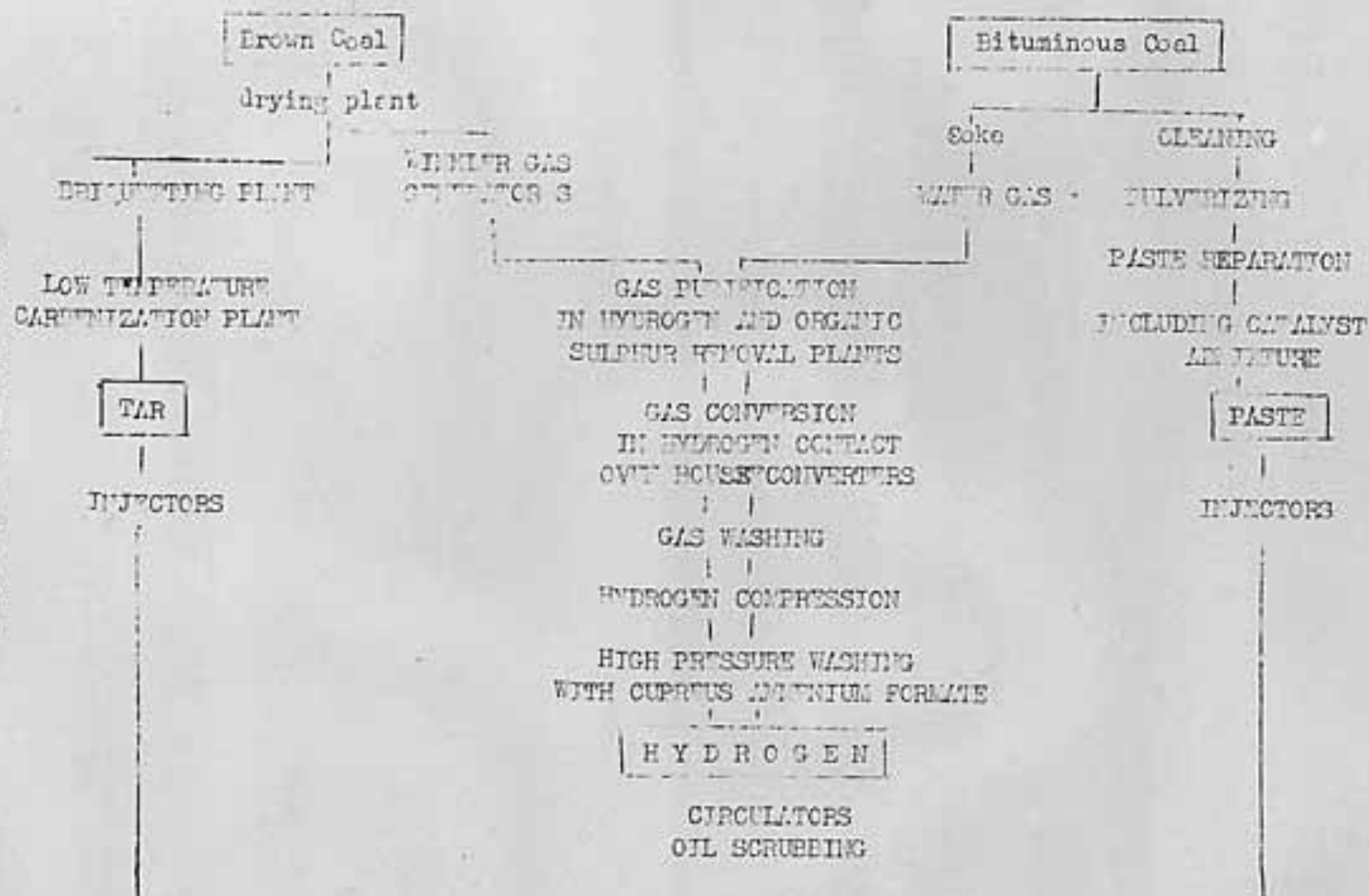
When tar or oil is hydrogenated the process is much simpler and the plant investment considerably less. The heavy fractions of tar (boiling above  $325^{\circ}\text{C}$ ) are hydrogenated in the liquid phase at temperatures where the tar is largely liquid. The catalyst is suspended in the oil and hydrogen blown through it. Tar (or oil), catalyst and hydrogen are pumped through heat exchangers and a heating coil under pressures of about 300 atmospheres into a series of reactors as in the coal liquification step. The oil is fractionally distilled and the heavy fraction recycled to the process while the lighter fractions are treated by vapor phase hydrogenation over fixed bed catalysts in the same manner as the lighter fractions from coal.

The thermal efficiency of converting a good young bituminous coal to gasoline by this process is about 30 per cent. From the thermal efficiency point of view it is somewhat more efficient to convert the coal first to tar by low temperature carbonization and hydrogenate the tar to gasoline.

The hydrogenation plants produce aviation and motor gasoline, diesel oil, lubricating oil and wax. The base stock for German aviation gasoline is a highly aromatic naphtha produced by hydrogenation.

## BURGIUS HYDROGENATION

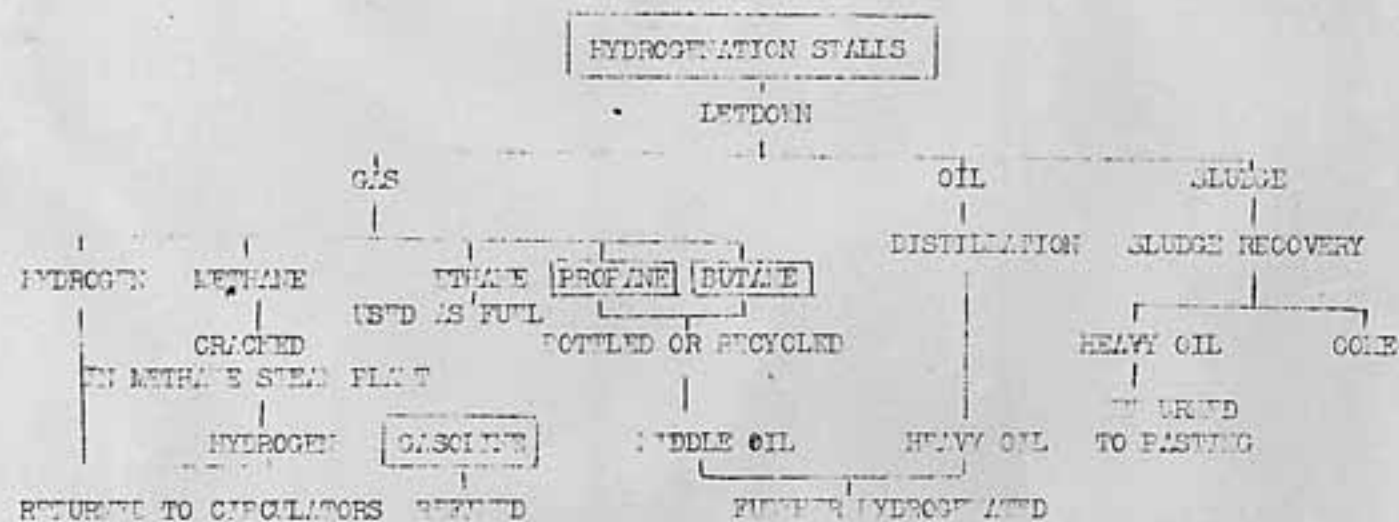
Simplified Flow for Plants Operating on Brown Coal and Bituminous Coal



22

EXCERPTS OF DOC. #1 - 10502  
CONT. D

page 10 of the original cont. d

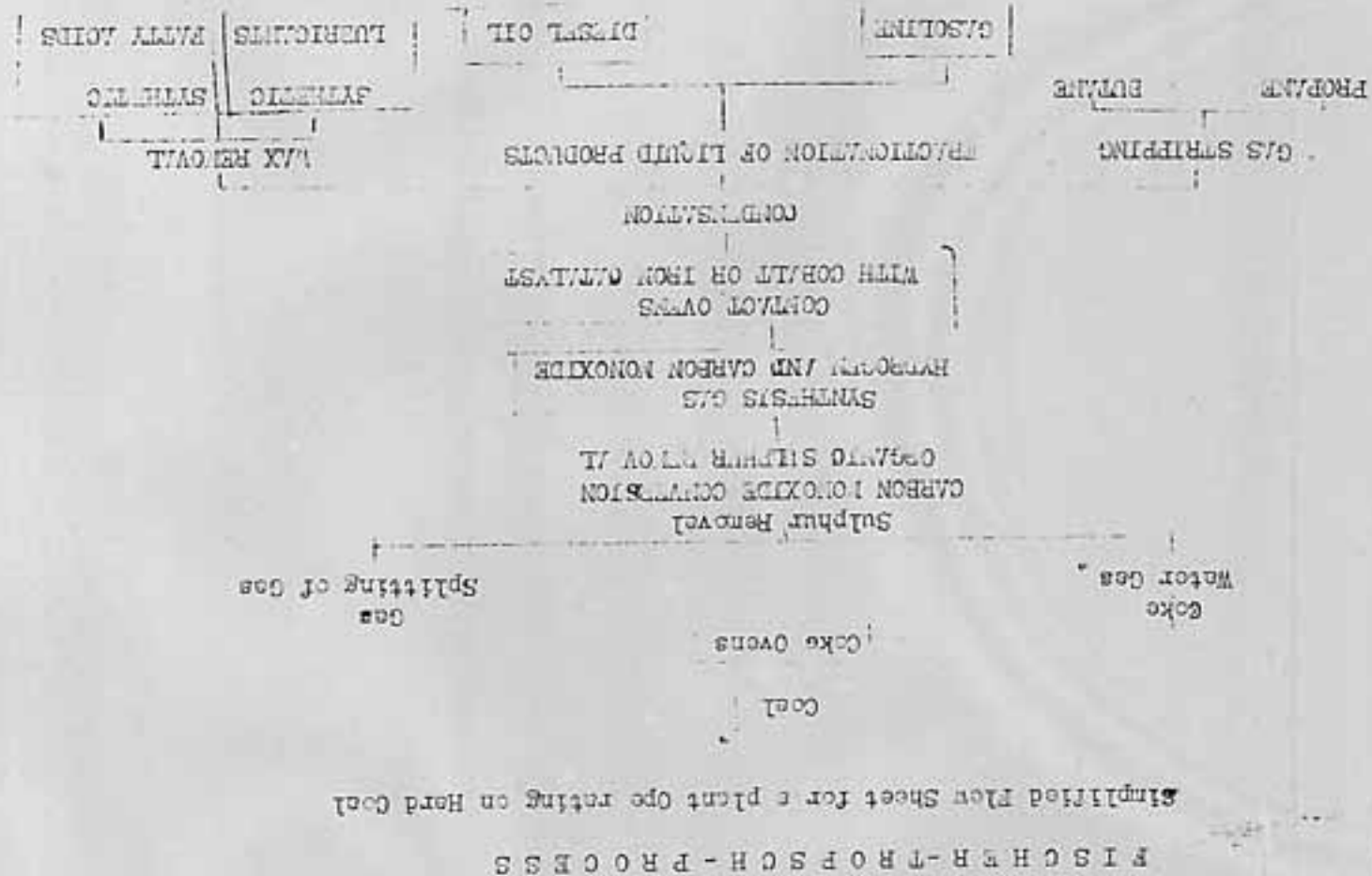


4.3.5. Hydrocarbon Synthesis (Fischer-Tropsch)

This process for the production of liquid fuels from gaseous mixtures of carbon and hydrogen (which can be readily produced from coal or other solid carbonaceous materials) was evolved in 1926 by Professor Frans Fischer and Dr. Hans Tropsch at the Research Institute at Mulheim/Ruhr under the auspices of the Ruhr Coal Owner's Association. During the 1930's the process was further developed under government stimulation and industrial scale production began in 1936.

In this process the solid fuel, usually coal or coke, though any combustible form of carbon may be used, (a), is gasified to produce a synthesis gas, which is water gas ( $\text{CO} - \text{H}_2$ ) enriched with  $\text{H}_2$  to get the desired proportion between  $\text{H}_2$  and  $\text{CO}$ . This synthesis gas, after exhaustive purification, is passed over a catalyst at rigidly controlled temperatures (about  $200^\circ\text{C}$ ) and at either atmospheric or low pressures (5 to 20 ats.) with the result that a series of hydrocarbons are formed.

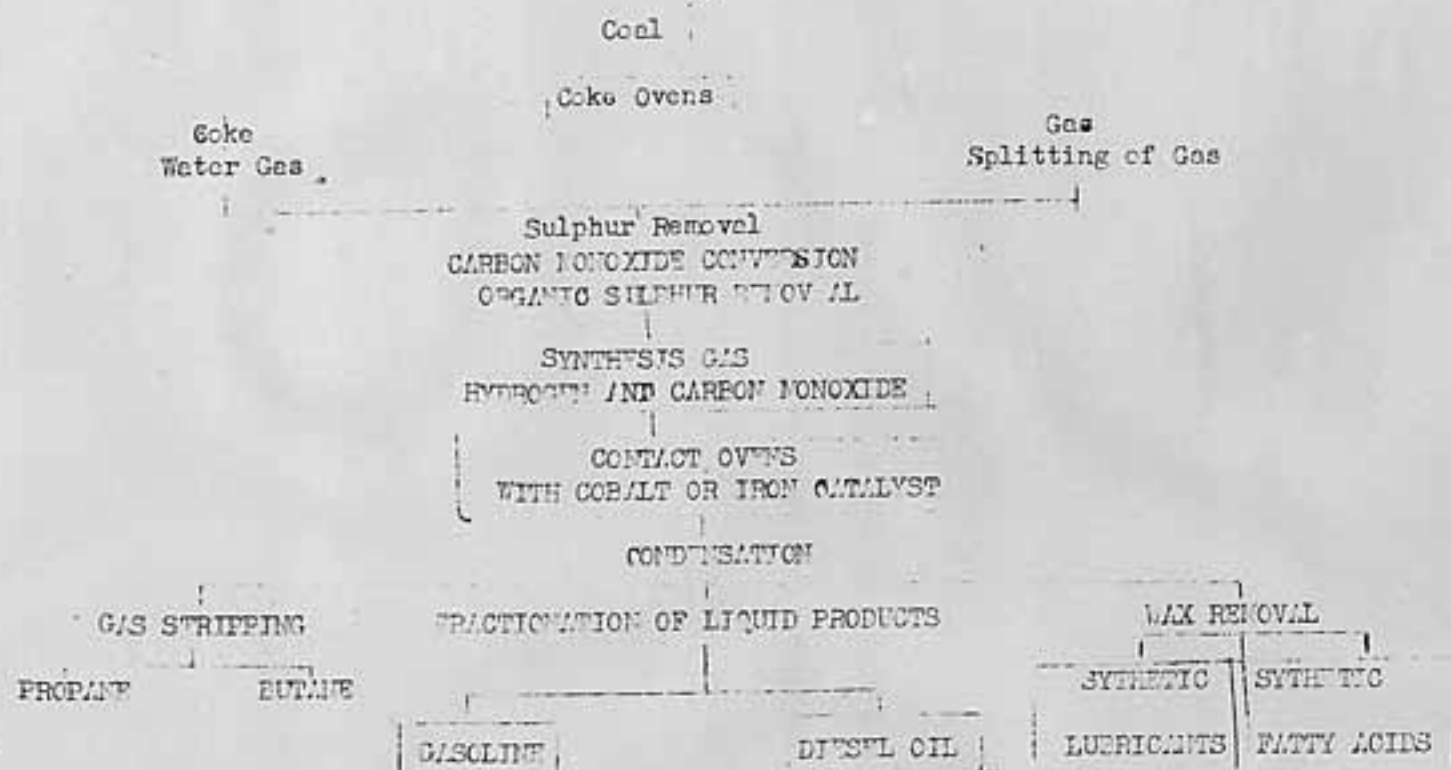




173

# FISCHER-TROPSCH-PROCESS

Simplified Flow Sheet for a plant Operating on Hard Coal



Page 11 of the Original Cont'd

EXEMPTED OF DOG. BY 10507  
CON T.D

( page 11 of the original cont'd)

A typical arrangement for a plant using hard coal would be as follows: after being raised, the coal is washed and graded, and passed to a battery of coke ovens. The coke from the ovens is fed to a water-gas generator, which produces a hydrogen/carbon monoxide mixture. The coke oven gas is cracked in a decomposer or split by a deep cooling process to provide more synthesis gas, together with that from the water-gas generators, is purified from hydrogen sulphide by passage through iron oxide or by other means, and the excess of carbon monoxide in the mixture is corrected by passage through converters in which the gas is brought into contact with a catalyst in the presence of steam, with the result that further hydrogen is produced, together with carbon dioxide, which is removed by washing with water under pressure.

The synthesis gas, now in correct proportion is passed through the organosulphur purification plant, and when purified, passes to the contact ovens, in which actual synthesis takes place over the catalyst at temperatures ranging from 185° to 360°C, depending upon the catalyst used, and at pressures ranging from atmospheric to 20 atmospheres. The earlier designs operated at atmospheric pressure but most of the plants now operate at 15 to 20 atmospheres pressure. One catalyst used is the metal cobalt on magnesia and activated with thorium. This catalyst is operative at about 200° C and at

( page 11 of the original cont'd)

pressures from atmospheric to about 15 atmospheres. Another catalyst is activated iron that operates at around 350°C and at higher pressures, preferably about 20 atmospheres.

a) In the United States the process has received serious consideration for converting natural gas to oil.

( page 12 of the original) 152-SYNTHETIC OIL  
Production

The reaction is highly exothermic, with the result that large quantities of heat must be dissipated by means of cooling towers usually situated near the contact oven house, and an abundant water supply is essential. The process usually takes place in two stages; in the second the gas, which has already passed through the first stage, is sent over the catalyst a second time to complete the synthesis. By this two-stage process it is said that yields as high as 90 per cent of the theoretical yield of the synthesis gas have been obtained.

The products of synthesis, all in gaseous form, are taken from the contact ovens to condensers, where the liquid hydrocarbons are drawn off, fractionally distilled, and passed on to the refinery for appropriate treatment. Surplus gases are washed with a light oil, the butane-propane fractions are drawn off, and the remainder is passed on to gas holders for ultimate use as fuel, either in the plant or in neighboring towns. In addition to oil and gases,



( page 12 of the original cont'd)

the Fischer Tropsch process produces paraffin wax, which is of value as a starting point for the manufacture of lubricating oils and synthetic soap. The most recent developments include successful research, on a laboratory scale, into the synthetic production of iso-compounds as constituents of high octane fuels.

The primary product from the Fischer-Tropsch process is a mixture of paraffins and olefins distributed over a wide boiling range that varies somewhat with operating conditions within the range.

Distribution of Products in Fischer-Tropsch

Process Synthetic Crude Oil

|  | <u>Per Cent of weight</u> |
|--|---------------------------|
| C <sub>3</sub> and C <sub>4</sub> (propane and butane) | 5 to 10                   |
| Gasoline 200°C End Point                               | 30 to 60                  |
| Diesel Oil 200-325°                                    | 20 to 30                  |
| Wax and heavy oil                                      | 40 to 5                   |

The gasoline quality varies between 50-70 octane number (motor method) and the diesel fuel between 70 and 100 cetane number. A substantial fraction of the wax has a high melting point; over 90°C. A high grade lubricating oil is made either from the highly olefinic 150-250°C fraction or from wax by cracking and polymerization. This process has an over-all energy efficiency of about 25% in converting the heating value of low grade solid fuels to oil. It can be generally stated that whereas the hydrogenation process produces better gasoline, including aviation gasoline, the

( page 12 of the original cont'd)

advantages of the Fischer-Tropsch process are in the better quality diesel oils and the lubricating oils.

.....

( page 14 of the original )

4.4.3. Hydrogenation (Bergius)

There are twelve hydrogenation plants in Germany (a) with an estimated normal total production capacity of motor gasoline of 3,775,000 metric tons per year (b). As there is considerable flexibility with respect to products which may be produced in hydrogenation plants, it is customary to establish their rated capacity on the basis of motor gasoline. In general the capacity is less when producing aviation gasoline and greater when making heavier products.

The feed stock to hydrogenation plants may be coal, tar or petroleum oil, of which in actual practice L.T.C. tar produced from lignite or brown coal constitutes the largest single item. As compared to the direct hydrogenation of coal the over-all investment per unit of gasoline production capacity is lower when the low grade coals are first carbonized to produce L.T.C. tar and the tar hydrogenated, but the coal consumption is higher and there is the problem of disposing of a large pro-

A) Location maps and individual plant descriptions are

given in section 4.6, pages 159 to 213.

b) The Germans have also built a plant at Bruex in Czechoslovakia that has an estimated capacity of 700,000 metric tons per year and a plant at Oswiecim in Poland having a capacity of about 200,000 tons per year.

## EXCERPTS OF DOD. NI-10507 CONT'D

SYNTHETIC OIL - 155Hydrogenation

( page 15 of the original )

duction of low grade coke, of the order of some four tons or more of coke per ton of gasoline. This the Germans appear to have taken care of by the utilization of much of this coke in large power plants located at or near the L.T.O. plants. As previously explained low ash bituminous coal is hydrogenated directly, the first step liquifying the coal to a synthetic crude oil with about 7 to 10 per cent gasoline, 35 to 45 per cent gas oil (200 to 325° F fraction) and around 50 per cent heavy fuel oil content. The latter is recycled, being used to paste the coal for convenient pumping, etc. The gasoline requires some further refining, usually hydrofining, whereby it is converted directly to aviation gasoline base stock. The gas oil from the coal liquification step contains phenols and other impurities and may be hydrofined either to a mixture of diesel oil and gasoline or completely to gasoline. The hydrogenation of tars or oil follows similar processing without the step of liquification of coal. The hydrogenation plants and their rated capacities, in terms of motor gasoline, are listed below:

## EXCERPTS OF DOC. NI-10507 CONT'D

( page 15 of the original cont'd)

Annual Capacities of Hydrogenation Plants

| <u>Plants Operating on</u>     | <u>Feed Stocks</u>       | <u>Production Motor Gasoline<br/>Metric Tons/Year</u> |
|--------------------------------|--------------------------|---|
| <u>Bituminous Coal and Tar</u> |                          |   |
| Blechhammer North              | H.T.C. Tar               | 200,000   |
| Blechhammer South              | Bituminous Coal          | 300,000   |
| Bottrop-Welheim                | H.T.C. Tar               | 100,000   |
| Gelsenkirchen                  | Bituminous Coal          | 350,000   |
| Poelitz                        | Bituminous Coal<br>& Tar | 600,000   |
| Scholven                       | Bituminous Coal          | 400,000   |
| <u>Lignite Coal and Tar</u>    |                          |   |
| Boehlen-Rotha                  | L.T.C.                   | 300,000   |
| Leuna                          | Lignite and Tar          | 600,000   |
| Luotzkendorf                   | L.T.C. Tar               | 125,000   |
| Magdeburg                      | L.T. C. Tar              | 250,000   |
| Wesseling                      | Lignite                  | 200,000   |
| Zeitz-Troepnitz                | L.T.C. Tar               | 350,000   |
| T o t a l                      |                          | 3,775,000   |

Taking into consideration Germany's consumption requirement pattern and the fact that hydrogenation plants are the chief source of supply for Germany's aviation gasoline requirements the breakdown of hydrogenation plant production, by products, is estimated to be as follows:



EXCERPTS OF DOC. NI - 10507 CONT'D

( page 15 of the original cont'd)

| <u>P r o d u c t</u>      | <u>Metric Tons Per Year</u> |
|---------------------------|-----------------------------|
| Aviation Gasoline         | 1,050,000                   |
| Motor Gasoline            | 1,725,000                   |
| Diesel Oil( and kerosene) | 700,000                     |
| Lubricating Oils          | 100,000                     |
|                           | <hr/>                       |
| T o t a l                 | 3,575,000                   |

Due to the emphasis on aviation the total production is estimated to be somewhat below the rated capacity of 3,775,000 tons on the basis of ordinary motor gasoline production. This also accounts, in part, for the Germans' shortage

156 - SYNTHETIC OIL/ Hydrocarbon Synthesis

( page 16 of the original )

of diesel fuel which has resulted in their resorting to the use of blends of approximately 2/3 gasoline (naphtha) and 1/3 Diesel oil as diesel fuel.

.....

" A CERTIFIED TRUE COPY "

- 18 -

- E N D -

184

*J. A. Farben*

MILITARY TRIBUNAL NO.

CASE NO. *VI*

Prosecution Document Book No. *XXVIII*

*English*



INDEX

TO

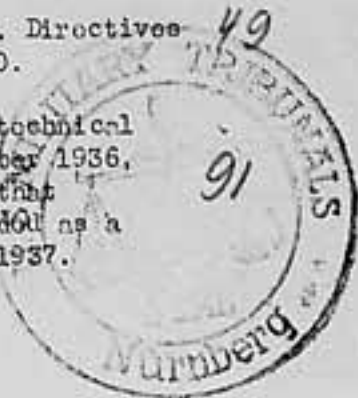
DOCUMENT BOOK XXVIII

Count I-D

Case No. VI

FAHREN PARTICIPATED IN CREATING AND EQUIPPING  
THE NAZI MILITARY MACHINE FOR AGGRESSIVE WAR

| Exhibit No. | Document No.   | Description of Document  | Page No. |
|-------------|--|--|----------|
|             | NL-6930  | Letter from I.G. Ludwigshafen with copies of letter of the Reich Ministry of Economics to I.G. Farben on synthetic buna production and letter from I.G. Farben to Reich Ministry of Economics on synthetic buna production, dated November 1933.   | 1        |
|             | NL-4713  | Letter from Reich Chancellery to I.G., dated 13 November 1935, stating that Hitler was greatly interested in speeding up construction of the buna plant and asking I.G. to speed up planning. Also reports on various conferences with Reich Offices on construction of a buna factory in January, February, September and October 1935. | 5        |
|             | NL-8326<br>and NL-306<br>(already in<br>evidence in Book<br>V as Exhibit 95) | Affidavit by Ernst Struss incorporating Document NL-306 re summary of reports of discussions and correspondence with the Reich in regard to production.  | 11       |
|             | NL-7241  | Affidavit by Ernst Struss on the history of I.G.'s buna production.  | 21       |
|             | NL-9479  | Affidavit by Paul Doncker on the Reich methods of financing buna production.   | 42       |
|             | NL-7625  | Original carbon of letter from Goering to I.G. on expansion of synthetic rubber production Schkopau, dated 16 June 1936.   | 44       |
|             | NL-882   | Contract with the Reich Buna I. Directives dated September 1937, July 1940.  | 49       |
|             | NL-5908  | Minutes of the meeting of the technical management Hoechst of 16 November 1936, where the meeting is informed that synthetic rubber will be regarded as a sales product as of 1 January 1937.  | 91       |



| Exhibit No. | Document No.   | Description of Document   | Page No: |
|-------------|--|---|----------|
|             | NI-4626  | Confidential letter from defendant Kuchno to defendant Tor Moor stating that the buna production was driven to an unexcusable extent by the defendant Krauch's office, dated 13 January 1937.   | 92       |
|             | NI-6629  | Article by the defendant Dr. C. Krauch, "Research and Development" in the "Four Year Plan", 1st year 1937, No. 5, Page 261, saying that the solution of the problems of German raw and synthetic material has been for the greater part the task of chemical synthesis and so of German chemist and technician. | 94       |
|             | NI-8833  | Files of the Reichsstelle fuer Wirtschaftsausbau. Preparatory memorandum on the subject of expansion of buna production, undated.   | 100      |
|             | NI-7622  | Files of the Feldwirtschaftsamt. Extract from report "The rubber production in the Four Year Plan."   | 108      |
|             | NI-7624  | Original mimeographed memorandum entitled "Fundamental aspects regarding the foundation of the Schkopau plant and the buna agreement", dated 17 February 1937.  | 118      |
|             | NI-4711  | Letter from Farben to Goering, dated 15 June 1937, pledging I.G.'s support for the establishment of the buna plants within the Four Year Plan.  | 124      |
|             | NI-6343  | Letter from I.G. Farben to Goering, dated 15 June 1937, concerning the expenses for buna experiments.   | 126      |
|             | NI-6106<br>(already in evidence in Book XIII as Exhibit 347) | Partnership agreement between I.G. Farben and Bergwerks-Gesellschaft Kavernia regarding the formation of Chemische Werke Huels, dated 19 May 1938.  | 128      |
|             | NI-7769  | I.G. report entitled "Buna Werk Huels", dated 22 March 1938.  | 135      |
|             | NI-12627   | Affidavit of Dr. Ernst Schüss   | 140      |



TRANSLATION OF DOCUMENT No. NI-6930  
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES

Copy/Kl.

(Rubber stamp)

File-Number  
377 25/1

The Reich Minister for Economic Affairs  
B e r l i n W 35

23 November 1933

Viktoriastrasse 34

Carbon-Copy to Dr. MUELLER-COMRADI

III B 390 30/33

To the

I.G. Farbenindustrie Aktiengesellschaft  
at  
Ludwigshafen on the Rhine.

Reference: Letter dated 13 November 1933  
- Nitrogen Department IX - Ia/Op. 190 -  
-----

I am very much interested indeed in the manufacture of synthetic rubber in view of the decrease in imports of raw-materials from abroad and, more generally, because of the opportunities it might offer for the provision of employment. I therefore appreciate it very much that your firm is prepared to restart the manufacture of synthetic rubber on a larger scale and to collaborate for this purpose with an efficient tyre-factory. I have written to the Continental-Gummiwerke A.G. in Hanover, attention of Generaldirektor TISCHBACH, on the lines suggested by you. I shall, moreover, approach the Reich Departments concerned, as soon as the tyres are available, so that they can be subjected to extensive practical test. Should the tests produce favorable results, I shall gladly give further support to the matter by requiring Government departments and public institutions to use synthetic tyres provided prices are satisfactory.

P.P.

signed: 1 signature

9097

(page 2 of original)

I.G. FARBENINDUSTRIE AKTIENGESELLSCHAFT LUDWIGSHAFFEN ON THE RHINE  
Nitrogen Department

(rubber stamp:) File Reference  
File 377 page 220 ?  
5283

To the  
Reich Ministry for Economic Affairs  
B e r l i n  
-----

IXC? - Ia/Op. 190

13 November 1933 Kl.

With reference to the meeting at the Reich Ministry for Economic Affairs on 25 October 1933, with Ministerialrat IMHORST, Ministerialrat MUELLERT, and Captain LICHT, we are sending you a copy of our memorandum on the subject to the Army Ordnance Office dated 15 August 1933.

(page 2 of original cont'd.)

In our opinion, as was pointed out orally, it is necessary that, before we can resume our efforts on a larger scale, the Government would decide whether they are sufficiently interested in the manufacture in Germany of synthetic rubber to be prepared to support the project in the manner indicated.

Briefly, such Government support would consist, on the one hand, in securing the active co-operation of the rubber factory designated for the purpose--mention was made, at the Army Ordnance Office, of the Continental in Hanover --, and, in subjecting the new tyre to an extensive practical test through Government authorities.

At the meeting in your Ministry we asked

(Stamp:)

To be returned to  
the Nitrogen Department

(page 3 of original)

I.G. FARFARINDUSTRIE AKTIENGESSELLSCHAFT LUDWIGSHAFEN ON THE RHINE  
Nitrogen Department

To the Reich Ministry for Economic Affairs, MC - LA/Op 190 13 Nov. 33 2  
B e r l i n.

for an assurance that, should the tests prove satisfactory, the Reich Ministry for Economic Affairs would support the project still further, e.g., by requiring public services, such as the Post Office or State-owned Road Transport Companies to use synthetic tyres.

Yours faithfully

I.G. Farbenindustrie Aktiengesellschaft

signed: WILD      signed: FAHRENHORST

Enclosure.

262-504-313  
1595

C o p y

(page 4 of original)

Copy/Kl.

(rubber stamp): File Number -  
File -

I.G. Farbenindustrie Akt. Ges.  
Ludwigshafen on the Rhine

To the  
Army Ordnance Office  
Berlin-Charlottenburg 2,  
Jebensstrasse 1

Nitrogen Department  
AC/Op. 190

15 August 1933 Wt.

The researches for the manufacture of synthetic rubber had, in between the years 1910 - 1914, already been carried so far that it was possible to produce during the war what was called "methyl" rubber on a large scale. This product, as it stands, does not bear comparison with natural rubber, as it is not exactly suitable for some of the most important products of the natural rubber industry such as tyres. During the war, the product was mainly used as a substitute for hard rubber e.g. in batteries. These hard rubber products were of great importance in submarine construction. It was impossible owing to the state of technology at the time to manufacture other kinds of synthetic rubber of any satisfactory quality.

A few years after the war the I.G. resumed their efforts in this field with the result that <sup>the</sup> products were obtained which, for a number of purposes, especially in manufacture of tyre-treads, rivalled natural rubber in durability. Furthermore the manufacture of the preliminary products was perfected to such an extent that it would have been possible to produce this new synthetic rubber entirely from German raw materials. At the time when our endeavors had reached that stage, the price of natural rubber was approximately M. 2. -- per kilogramme. While we were busy on plans for a technical research plant, a slump in the price of natural rubber occurred, which brought it down to about 40 Pf. per kg. It was hopeless, under such conditions, to proceed with our plans. Nevertheless we continued researches in our laboratories with the result that it seemed possible to manufacture varieties of synthetic rubber which, particularly when used for tyre-treads, considerably surpassed natural rubber in durability. Since, as is common knowledge, the quantity of rubber required for a tyre accounts only for a small fraction of the price of the tyre, it would seem feasible to spend a much higher amount on each kilogramme of a synthetic product, if the life of a tyre were increased by, say, 50%.

(page 5 of original)

Of importance furthermore would seem to be certain indications that the new products surpass natural rubber tyres in non-skid properties. On these grounds the manufacture of synthetic rubber would seem to hold out some promise once again, so that the I.G. would be willing to resume their experiments on a large scale. In the assessment of the prospects for these researches however, one consideration is of decisive importance: The synthetic products differ little from natural rubber in their chemical composition, but differ strongly in workability, in that they are considerably more difficult to work up. Consequently, the methods used in the rubber industry to date cannot without modifications be applied to the new products. Manufacturing problems will therefore play an important part in future research. It is for this

TRANSLATION OF DOCUMENT No. NI-6930  
CONTINUED

(page 5 of original cont'd.)

purpose that the co-operation of an efficient rubber factory is required. In the interests of such co-operation it is in our opinion essential that the Government should point out to the rubber factory concerned that effective co-operation is expected of them. Furthermore, we feel that the Government could best support the project by having the new tyres tested on a large number of Government owned vehicles. In our opinion, the number of these tyres tested should not be lower than 1000-2000. Whether it will be possible to produce these tyres at a price corresponding to that of natural rubber tyres, allowing for their longer life, we are not in a position to say yet, since we are not able to estimate the additional costs which might arise during manufacture in the rubber factory. In order to avoid misunderstandings it should be stated once more that it is impossible to manufacture synthetic rubber at a price approximating, however remotely, that of the present price of natural rubber, but that it is to be hoped to counterbalance higher costs by higher quality.

Should the Government decide to proceed in the manner indicated, the I.G. would resume their work without delay and on a larger scale, starting by manufacturing a considerable number of tyres to be tested in their own factory. Should these tyres prove themselves to be satisfactory, the manufacture of tyres for the Government would follow.

I.G. Farben Aktiengesellschaft  
signed F. HENHORST      signed WILD

-----  
CERTIFICATE OF TRANSLATION  
-----

26 June 1947

I, L.J. LAWRENCE, 20138, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of the document No. NI-6930.

L.J. LAWRENCE  
No. 20138



TRANSLATION OF DOCUMENT No. HI-4713  
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES

Reich Chancellery  
W.KEPPLER

Berlin W.8 the 12th November 1935  
Wilhelmstrasse 78

The Commissaire for  
Economic matters

(Transl.'s note: stamp:)

TEA-BUENO (Office of Technical Committ  
Dept. A

to

Dr. STRUSS  
I.G. Farbenindustrie A.G.  
FRANKFURT a.M.,-20

Received 13 Nov. 1935  
forwarded. . . . .  
settled... . . . .

Dear Dr. Struss,

You must be surprised that for so long, I have not referred to our negotiation concerning the erection of a factory for synthetic rubber. There were however difficulties in carrying on the negotiations, because the purchase guarantee which the Reich War Ministry was prepared to give, amounted to too small a quantity. First of all it was discussed, how to assure consumption through corresponding regulations from the Ministry of Economics and/or the Supervisory Office (Ueberwachungsstelle). This way did not seem advisable to me either, finally as it is difficult, at present to issue such regulations with a sufficiently long time limit, as would be necessary for your purpose. There I spoke to the Fuehrer himself about this question and later I discussed it with the Finance Minister, from whom I have received enclosed opinion today. I assume that this solution will give you the necessary security for the construction of the works. The necessity of borrowing 6 millions from the Ministry of Finance will not arise as the essential part of production

(Page 2 of original)

can successfully be disposed of to the rubber industry. Besides one must be optimistic in this matter I hope that the quality will continue to improve, and that the consumption in the Reich Defence Forces (Reichswehr) and the other authorities will consequently increase.

May I ask you to inform me of your general accordance with the suggestions made by the Reich Finance Minister in his letter in order that we can start the drafting of an agreement.

As you know the Fuehrer is greatly interested in speeding up the construction of the installation as much as possible. I therefore ask you to carry on with your planning work as before and to start building as soon as an agreement between us concerning the main questions is reached. This is also in accordance with the suggestion of your Dr. ter Meer, in any case. May I ask you about the quantity and the composition of the waste gas which will result from the anticipated rubber production of 200 tons and what utilization you have intended for this gas.

Heil Hitler!

(signature): KEPPLER.

(Page 3 of original)

Transl. Note: Handwritten note:  
Dr. Struss                      Ten Buero

Conference about Synthetic rubber.  
with the Army Ordnance Office at Leverkusen on 23 October 1935.

|                               |  |
|-------------------------------|--|
| Present: Lt. Colonel Philipps | Army Ordnance Office PIW (Checking Office) |
| Dr. Hagemann                  | " " " " "                                  |
| Dipl. Ing. Exner              | " " " " "                                  |
| Director Dr. Stange           | Leverkusen                                 |
| Dr. Ludwig                    | "  |
| Dr. Konrad                    | "  |

Lt. Colonel Philipps was on a visiting tour to the Rhineland industrial plants and on this occasion he wanted to become acquainted with our production and testing installations for synthetic rubber at Leverkusen. Dipl. Ing. Exner who specializes in the rubber question under Dr. Hagemann, had already stayed at Leverkusen 5 days in order to get information about the technical position of the Buna-manufacture.

After it was decided to build a Buna plant with a monthly capacity of 200 tons as soon as possible, Stange asked if the Reich Chancellery had approached the Armed Forces regarding the purchase of the Buna production.

Philipps stated the following: The peace-time demand for rubber by the Armed Forces was formerly over estimated. It only amounted to a fraction of the monthly capacity of 200 tons (about 50 tons monthly). The Checking Office 6 has always been of the opinion that the development of the rubber technique required time in order to arrive at the final goal of a production of a 100% Buna special tyre (Cross-country tyre grant tyre solid rubber tyre). Although quite considerable progress was made during this last year, it is too early to say that the total requirement of the Wehrmacht also could be covered by synthetic rubber at the time when the rubber factory is finished. (Transl. note: handwritten marginal note: -+ M (= ter Meer)).

Philipps denies that the pressure for the immediate construction of the rubber factory (Date: Party Conference Nurnberg) originates from the Wehrmacht. (Transl. Note: Handwritten marginal note: "Correct").

Then Philipps expressed himself unasked on the economic effects of the rubber factory

(Page 4 of original)

as only a small part of the future production can be used of by the Armed Forces in peace time, and as other authorities (Railway, Post) can not take over the remaining quantity completely either, the only way of disposal remaining open is to the free economy. As the rubber products manufactured with Buna naturally are more expensive, Philipps is of the opinion that certain Reich Offices (Price Commissioner, Schacht) would not allow a price increase of important rubber goods so easily. After his return to Berlin Philipps will immediately arrange a conference on these questions with the Reich Chancellor. As he declines a discussion with Fleiger he will arrange a meeting between General Liese and Keppler. Actually Fleiger is supposed to have been refused as a negotiation-partner by various enterprises.

We indicated briefly that recently, on account of the overcrowding of the Piesteritz district which has in the meantime set in other sites for

the rubber factory will be taken into consideration.

No considerable delay in the construction of the factory will be caused through this (Transl. Note: handwritten marginal note re: "considerable" "not at all"). The danger remains that we shall be reproached from another side of dragging this out. We wanted to emphasize that the utmost would be done on the part of the I.G. and up till now the program has been followed according to the dates set. This was also fully appreciated by the Army Ordnance Office.

(signature) KONRAD

(Page 5 of original)

I.G. Internal

Berlin, 20 September 1935

Conference on synthetic rubber held in the Reich Chancellery on 19 Sept. 1935

Present: KEPPLER, FLEIGER,  
Ter MEER, STRUSS.

Ter Meer reports on the condition of work on rubber in the I.G.

The production capacity is at present approx. 20-25 tons of Polymeris in August the highest production up till now was reached at 30 tons. The purchase of the rubber manufacturing plants amount to about 10 tons monthly, so that the stocks are increasing. At present they are between 40 and 50 tons. In October the Butadiene furnaces with a capacity of 50 tons per month will start operating, so that from November about 50-60 tons of Polymerisate per month will be available.

The technical foundations for the construction of a large installation according to the 4-phase process are available, but the rubber manufacturing industry is still far behind. It was pointed out that insecurity was due to the fact that in 2-3 years time the 2-phase process Vinylacetylene-Butadiene will be replacing the present 4-phase process.

Keppler considers the immediate construction of a large installation necessary. Through the fast progress in motorizing the army it would be necessary to deal with the problem of synthetic rubber most emphatically. This was a demand made by the Fuehrer as well as by the military authorities, v. Blomberg and Liese. Piesteritz is named as site suitable for the demands of the military authorities.

After a long discussion, the following procedure is intended:

- 1) The I.G. erects a factory -probably at Piesteritz- with capacity of 200-250 tons of rubber per month and planned for an expansion to 1000 tons per month.
- 2) The installation must be made as fast as possible. The stated time of erection of one year given without obligation will be shortened if possible.
- 3) The financing of the installation will be made by the I.G.
- 4) Keppler engages himself to negotiate with the military authorities and to obtain a guarantee for disposal for several years at a fixed price.



- 5) The sale price will be fixed in co-operation with the trustee, Dr. Voss. To the net price is added an amortization amount making it possible to amortize the installation within 3, at the most within 5 years. Furthermore a 5% interest on the investment and floating capital, and finally a sufficient amount for administration expenses, which is to include compensation for miscellaneous and research expenses.
- 6) The construction is to be started immediately, as soon as the anticipated disposal guarantees from the military authorities are available.

Regarding the impending negotiations with Dupont concerning the licensing of the German patent for Mono-Vinylacetylene and Chloropren an agreement is possible; Keppler shares the opinion that a forced licensing should be avoided at all costs.

(Page 7 of original)

Conference at the Army Ordnance Office on the 20 February 1935 at 11 a.m.

Present: Major Philipp  
          Dr. Hagemann  
later    Major Becht (Rawmaterial Procurement Office)

From the I.G. apart from the undersigned:  
          Mueller-Gunradt  
          Konrad.

Major Philipp explained once more that the Wehrmacht claimed the absolute leadership in the synthetic rubber question. He did not however reject our opinion that synthetic rubber could also be used for foreign exchange reasons and for peaceful purposes, and that for this reason, we ought to take part in the conference with Keppler. On my request all 3 gentlemen declared themselves willing to take part in the conference. The opinions of the gentlemen, as they are expressed in the enclosure, were discussed once more. The aim was to cover the entire peace requirements of the Army with synthetic rubber. Exact figures of these requirements were not yet available. The calculation seems to be 150-250 tons per month. The commencement of a large installation had time yet. If no agreement could be made with Keppler, the Minister (v. Blomberg) would build his own factory. We have explained that the wishes of Keppler and those of the Wehrmacht could be complied with in the same factory, even if a somewhat different final product was demanded from the various offices.

(Transl. note: Handwritten note:  
Frankfurt a. Main, 22 of February 1935.)

(signature) STAUSS.

(Page 8 of original)

SYNTHETIC RUBBER

Conference in Berlin on 20 February 1935.

at 09.00/



Present: Ambros  
Mueller-Gunrad  
Konrad.

A conference is to take place at 11.00 hours in the Army Ordnance Office, and at 16.00 the interview with Keppler.

Konrad:

gives the following information about the cost of a medium-size tyre for an automobile from Conti:

Weight - 12 Kg.  
of this about 6 Kg. rubber.

Net price: Mk 18  
Sale price: " 35 to Mk.40.

By using Buna S at the price of Mk.5.-, for the construction of the complete tyre, including carcass, the net price would amount to Mk. 92.-

This impossible figure was defended by Konrad. According to Konrad one tyre consists of the following material:

Per 10 kg weight are 5,1 kg raw rubber  
1,6 " (textiles)  
3,3 " stuffing

The stuffing consists of:

1,0 kg soot  
0,25 " wire  
rest 2,05 " zinc white etc.

Moreover Konrad handed over a plan for the testing of tyres as it had been discussed with Dr. Hagemann (see enclosure).

(Transl.note: Handwritten note:  
Frankfurt/Main 22 Feb 1935)

(signature:) STUSS.

(Page 9 of original)

File Memo.

Subject: Visit of Dr. Hagemann of the Army Ordnance Office to Leverkusen on 10 January 1935.

Present from Leverkusen: Dr. Straupe Part-time  
Dr.Stoecklin " "  
Dr.Lutwig

Dr. Hagemann came unexpectedly, in order to get a picture of the position of the work on rubber and to be able to report to General Liese about it at the end of the week. Apparently due to a remark made by Dr. Gehrke, Conti in front of 30 representatives of the Defense Ministry great uncertainty about the judgment of the rubber question seems to have arisen. Dr. Hagemann will go to Metzlar from Leverkusen in order to get information there. General Liese will visit Conti in a few days. In both factories the speeding up of work on the tyres will be urged, so that that the Army Ordnance Office may get an opinion on the utility of this synthetic material and thus may decide

whether natural rubber needs to be stockpiled. According to Dr. Hagemann, the production of synthetic rubber is no longer a question of foreign exchange, but has become a question of military policy in which though it is dealt with in close contact with Harnesfahr, the requirements of the Wehrmacht will however be decisive. Dr. Stange, was therefore asked to make these requirements as clear as possible, regarding quality, cut etc. Dr. Hagemann has promised this clarification and emphasized that the costs of production and of manufacture were of no importance at the moment. The Army Ordnance Office considers it of importance that driving tests

(Page 10 of original)

should be made on a larger scale soon, apart from the Nurburg tests. Should Metzler consider the problem solved, Hagemann will require about 20 tyres from there. We have also promised to test whether a second material (Duna/S/Conti) can already now be used on a larger scale. The matter will be finally discussed by Dr. Hagemann at his next conference in Cologne (on 18 or 19 January). In the middle of the year the Army Ordnance Office will show the Fuehrer utensils made of synthetic material. It is the intention to use artificial fibre combined with synthetic rubber for tyres.

Dr. Hagemann will inform us about his impressions at Metzler's.

At an inspection tour the rubber testing site, the research rooms and the experimental plants were shown.

signed: LUDWIG.

CERTIFICATE OF TRANSLATION

I, DOROTHEA L. GALEWSKI, MP 34074, hereby certify that I am thoroughly conversant with the English and German languages; and that the above is a true and correct translation of Document No. NL-4713.

DOROTHEA L. GALEWSKI,  
MP 34074.

END

-6-

16

TRANSLATION OF DOCUMENT No. NI-8326 and  
NI-306  
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES

Document No. NI-8326

A F F I D A V I T

I, Dr. Ernst STRUSS, Director of I. G. Farben, chief of the Office of the Technical Committee of the I.G., Secretary of the Technical Committee of the Vorstand of the I.G., chief of Sparte II of the Vermittlungsstelle V, and since 1943 production chief of the whole German dyestuffs industry within the Economic Group for Chemical Industry, having been warned that I will be liable to punishment for a false statement, hereby declare under oath voluntarily and without coercion:

The reports made in the document marked NI-306 were made by my former employee, Mr. Holmuth RODEMANN, in 1945. RODEMANN collaborated closely with me in this compilation and I have continually supervised the progress of his work. The content of Document NI-306 and the history of its origin are therefore known to me to the fullest extent, and to the best of my knowledge and belief it corresponds in all details to the whole truth. I have carefully checked document NI-306 which was submitted to me. This document, together with this affidavit, forms a single document and is herewith declared part of this affidavit. In appending my signature to this affidavit I, at the same time, have signed each of the eleven pages of this document NI-306.

I have carefully read through each of the eleven pages of Document NI-306 as well as this page of my affidavit and personally marked them, have made the necessary corrections in my own hand, and marked them with my initials and declare herewith under oath that I have to the best of my knowledge and belief spoken the absolute truth in this declaration.

(signed) Dr. ERNST A. STRUSS  
/t/ Dr. Ernst Struss

Sworn and signed before me this 30 day of May 1947 at Frankfurt Main by Dr. Ernst Struss known to me to be the person making the above affidavit.

(signed) OTTO HEILBRUNN  
/t/ Dr. Otto Heilbrunn  
Civilian, ETO 30140  
Office of Chief of Counsel  
for War Crimes  
U.S. War Department

TRANSLATION OF DOCUMENT No. NI-8326 and  
NI-306 (Cont'd)

Document No. NI-306

Discussions about Buna with government offices

Detailed version August 1943 for Mr. Weissbrodt  
Extract from original file

1933. In reply to personal query by a representative of the Army  
Ordnance Office (Heereswaffenamt) to Dr. Mueller-Gunradi, followed:

15 Letter Ludwigshafen (Mueller-Gunradi) to Heereswaffenamt HWA  
Aug. (Army Ordnance Office) Berlin-Charlottenburg.

Information on the work of I.G. Farben in the field of synthetic  
rubber 1910 to 1914 and after 1918.  
Present situation of work and readiness of I.G. for again taking  
up the production of synthetic rubber on a large scale with the  
support of the Reich Government and with the collaboration of an  
efficient rubber factory (Production of 1000-2000 tires which  
are to be tested on vehicles of government authorities).

1934

6 Exposé Leverkusen (Dr. Konrad) to HWA (General Liese).  
Jul.

Information about the work in the field of synthetic rubber.  
I. Methylenerubber (1910-1913)  
II. Butadienerubber (from 1925 on)  
III. Mixed polymerisates.  
IV. Oil and gasoline-proof rubber  
V. Duprene (U.S.A.)  
VI. Present state of work.  
VII. Program of experiments for the near future.

11 Conference report (Dr. Konrad Leverkusen) on meeting in HWA  
Jul. (Major Philip, Dr. Hagemann) later on in presence of Dr. Weber  
and Dr. Maumann, Conti.

I. Without representative of Conti

Present state of work  
a) Butadieno-Basis (Buna)  
b) " Mixed polymerisates  
c) " - alloyed with softeners.  
Mass production of 5,000 tons a year (time for  
construction 1 year) can only begin after the tire  
experiments. Duprene (license negotiations I.G./Dupont).

(Page 2 of original)

1934 II. Together with representatives of Conti:

A greater production of tires will only be possible after the  
conclusion of the tests with the individual experimental tires.  
The production of solid rubber tires has to be examined.  
Conference about general economic expectations for synthetic  
rubber.



TRANSLATION OF DOCUMENT No. NI-8326 and  
NI-306 (Cont'd)

Document No. NI-306 (Cont'd)

- 24 Report on conference (Dr. Konrad, Leverkusen) with the Reich  
Jul. Plenipotentiary for Rubber, Herrn Hammesfahr of Hamburg, in  
Leverkusen.

Conference about development and state of work in the field of synthetic rubber of I.G.  
Extension of the experimental installations from 10 to 25-50 tons of butadiene per month.  
Hammesfahr refers to the special urgency of the rubber problem. Present yearly consumption: about 70,000 tons, of which 60 % is for tires (soon: about 80 %). He emphasizes that the project must not fail on account of the financial question.

General discussion about the difficulties of the process. Superiority of synthetic material over natural rubber, part replacement of the cotton by Vistra. Extension of the production experiments to other purely German rubber factories apart from Conti. Examination of the question of replacing rubber by synthetic materials of I.G. in order to reduce rubber consumption. Conference about Duprene and possible taking-over of this process by I.G. Discussion of the price question for synthetic rubber.

Miscellaneous

Dung: Replacement of the American product by I.G. products.  
Trinidad asphalt: Examination of production possibilities by I.G.  
Information on German sulphur production.  
Regeneration: Extension of the existing regeneration plants with the collaboration of I.G.; improvement of the processes.  
Information on the raw rubber requirements of I.G.

- 7 Conference report (Dr. Struss Frankfurt/M.) on Conference in Control  
Nov. office for Rubber and Asbestos, held on 31 October with Herrn  
Hammesfahr.

Also present: The economic Plenipotentiary of the Fuehrer: Koppler  
Army Ordnance Office: Mureck, of Reich Economic  
Ministry, the Firm Metzeler, Munich and I.G.

(Page 3 of original)

1934 (Cont'd)

Report about use of Buna in the tire industry. Hammesfahr draws attention to the very special urgency; I.G. to examine construction of a plant for 1000 ton per month. After thorough discussion, I.G.'s suggestion for a plant for 200 ton per month is accepted. Slight price increase for the tires is bearable if durability is also increased.

- 7 Conference report (Dr. Struss Frankfurt/M) on conference in  
Nov. Control office for rubber and Asbestos, held on 31 October with  
Herrn Hammesfahr.

Discussion on our possible agreement with Dupont, re: Duprene. Discussion of the plant with a monthly capacity 200 tons, which can go into production in late 1935 at the earliest. The financial question will be finally settled later on.

TRANSLATION OF DOCUMENT No. NI-8326 and  
NI-306 (Cont'd)

Document No. NI-306 (Cont'd)

- 8 Report Dr. Konrad, Leverkusen, about the visit of the Reich  
Nov. Plenipotentiary for Rubber, Herr Hammesfahr, to Leverkusen.

Inspection of the existing installations for the production of synthetic rubber and general non-obligatory discussions on the future development of the field.

- 22 Report Dr. Ebert, Ludwigshafen, on the visit of the Reich  
Nov. Plenipotentiary for Rubber, Herr Hammesfahr on 20 Nov. in  
Ludwigshafen.

General discussion on release of rubber experiment material for other purposes than tires.  
Question of financing a large-scale plant.  
Easing of the rubber situation through synthetic products of I.G.  
I.G. to speed up submission of detailed information and suggestions for large-scale plant.

- 1 Conference report (Dr. Struss, Frankfurt/M.) on a conference in HMA  
Dec. (Army Ordnance Office) on 29 Nov. with State Secretary, Dr. Fosse.

General orientation on the situation in the field of synthetic rubber.

- 1 Conference report (Dr. Struss, Frankfurt/M.) on a conference in HMA  
Dec. on 30 Nov. with General Liese.

Same discussions as in conference with HWA of 29 November.

- 17 Conference report (Dr. Struss, Frankfurt/M.) on a conference with  
Dec. the Plenipotentiary for Economic Problems, of the Fuehrer Koppler,  
held in Berlin on 10 Dec. in the presence of Herr Hammesfahr.

(Page 4 of original)

1934 (Cont'd)

General discussion of the technical execution of the process for making carbide via Butylene/glykol.  
Planning of a large-scale plant, when experiments in Lu (Ludwigshafen) and Le (Leverkusen) have been concluded.  
Detailed discussion of the price question for synthetic rubber.

1935

- 7 Report (Dr. Ebert, Ludwigshafen) on the visit of Herr Hammesfahr  
Jan. in Ludwigshafen on 5 November.

Discussions on I.G.'s various experiments for the promotion of the synthetic rubber problem.

- 10 Report (Dr. Ludwig, Leverkusen) on the visit of Dr. Hagemann to  
Jan. HMA, Leverkusen.

State of the rubber work in Leverkusen.  
General Liese to ask the tire plants to speed up their production in order to get a decision about the fitness for use of synthetic rubber.

TRANSLATION OF DOCUMENT No. NI-8326 and  
NI-306 (Cont'd)

Document No. 306 (Cont'd)

- 20 Conference report on Meeting (Dr. Konrad, Leverkusen) in HWA  
Feb. in the morning with Major Philipp and Dr. Hagemann.

Establishment of tire test program. General survey of I.G. work and experimental expenses in the field of rubber. Discussions about questions of location for a rubber factory.

In the afternoon: With Dr. Hagemann and Dr. Ing. Kracht, of HWA as well as representatives of Conti.

Establishment of a further tire test program for production.

- 22 Conference report (Dr. Struss, Frankfurt/M) in HWA of 20 February.  
Feb.

Army requests direction in the rubber question. Total peace requirements of the Army about 150-250 tons per month.

- 22 Conference report (Dr. Struss, Frankfurt/M) on meeting with  
Feb. Herr Koppler on 20 February in presence of Herr Hannesfahr, as well as representatives of HWA, Conti and on the firm Metzeler.

Discussion about the work of the tire manufacturers. Further conferences about large scale production of synthetic rubber will be held in early March.

(Page 5 of original)

1935 (Cont'd)

- 18 Conference report (Dr. Struss, Frankfurt/M) on a meeting with  
Mar. Herrn Koppler on 14 March.

Dr. ter Meer explains the present state of work. The main point for the measures to be taken lies with the producing industry, which regularly has to supply the experimental plants with large quantities of rubber. Discussion about the price for synthetic rubber and cost of large scale plant for producing 2500 tons a year.

- 29 Conference report (Dr. Konrad, Leverkusen) on the visit of  
Mar. Dr. Hagemann and Dr. Exner of HWA in Leverkusen.

General discussion on road tests with tires of both natural and synthetic rubber.

- 2 Conference report (Dr. Konrad, Leverkusen) on a meeting in HWA  
May with Dr. Hagemann and Dr. Exner

Discussion about the Armed Forces total requirements for synthetic rubber.

Start of special test work especially for the Armed Forces.

7. Sept.  
13 Correspondence of the Fuehrer's Plenipotentiary for Economic  
Aug. Problems, Koppler, with Dr. ter Meer, re: Conference to be held in September about the present state as regards synthetic rubber.

TRANSLATION OF DOCUMENT No. NI-8326 and  
NI-306 (Cont'd)

Document No. 306 (Cont'd)

- 20 Conference report (Dr. ter Meer, Frankfurt/M) on a meeting in the  
Sep. Reich Chancellery with Herrn. Koppler and Fleiger.

State of rubber production.

The construction of the large-scale plant to be speeded up,  
Conference about further procedure in the question of mass  
production.

Possible sales guarantee by the Armed Forces at fixed prices.  
Discussion about conference with Dupont about licenses for  
German patents concerning Monovinylacetylene and Chloroprene.

- 23 Conference report (Dr. Konrad, Leverkusen) on visit of  
Oct. Lt. Col. Philippa, Dr. Hagemann, Dr. Esser of HVA, Leverkusen.

Inspection of production and testing installations for synthetic  
rubber.

(Page 6 of original)

1935 (Cont'd)

General discussion about disposal of increased future buna  
production (requirements of Armed Forces not 150-250 ton per  
month as previously stated, but about 50 ton per month).  
Discussion of location of the rubber factory.

- 12 Correspondence of the Plenipotentiary of the Fuehrer for Economic  
15 questions Koppler and Dr. Struss re: construction of a large-scale  
19 plant for manufacture of synthetic rubber. Questions on  
Nov. financing. Sales guarantee. Price guarantee. Questions of  
location.

- 30 Expose of HVA (Dr. Hagemann) on state of the tests with synthetic  
Nov. rubber for use in army material and suggestions for the distrib-  
ution of the planned production.

1936

- 21 Letters (Dr. ter Meer, Frankfurt/M) to the Fuehrer's Pleni-  
Jan. potentiary for Economic Problems, Koppler, Berlin.

- 4  
Feb. Draft for a contract between the Reich Economic Ministry and  
I.G. concerning the construction of a plant with a capacity of  
200 ton of synthetic rubber per month.

- 13 Conference report (Dr. Bohn-Rothfelsor; Louisa) on a meeting in  
Feb. the Reich Economic Ministry, Gdn. Rat. Kuogler.

General discussion about the development of the Buna production  
up to date with respect to the "Project Schkopau".



Document No. NI-306 (Cont'd)

1936 (Cont'd)

25./27 Feb. Correspondence of the Fuehrer's Plenipotentiary for Economic problems, Keppler, Berlin and Dr. Struss, concerning the draft for a contract and further promotion of the preliminary work.

5 June Conference report (Dr. von Bruening, Berlin) on a meeting in the Reich Economic Ministry with Geh. Rat. Kuceler and other officials.

Report on the latest stand of the production of synthetic rubber.  
Utmost speeding up of the further development and avoidance of useless investigations.

17 June Conference report (Dr. Struss, Frankfurt/1) on a conference of the Staff for Raw Materials and Foreign Exchange, under the chairmanship of Dr. Krauch, with officials of Reich War Ministry, HWA and Keppler Bureau.

Conference about possible extension of the Buna Factory Schkopau, which is under construction, from a capacity of 800 to 1000 tons a month.

(Page 7 of original)

1936

15./29 June., 1./2./10 July. Correspondence between Staff for Raw Materials and Foreign Exchange (Lt. Col. Loeb) and I.G., concerning the extension of the Buna Factory Schkopau to a capacity of 1000 tons a month and the possible construction of a second plant for 1000 tons a month.

28 July Conference report (Dr. Hasenclever, Frankfurt/1) on a meeting with Dr. Hagemann of HWA, Berlin, 22 July.

General discussion concerning the second plant for producing 1000 tons of Buna per month.  
Report Dr. ter Meer on negotiations with Dupont.  
Report Dr. Hagemann about market possibilities for the extended Buna production.

31 July, 4 Aug. Correspondence between the Fuehrer's Plenipotentiary for Economic Problems, Keppler and the Finance Ministry and I.G. Farben concerning the draft of a contract for the Schkopau Buna factory for producing 1000 tons per month.

29 Sept., 2 June, 13 Oct. Correspondence between the Fuehrer's for Plenipotentiary Economic Problems, Keppler and Dr. ter Meer, re.: the extension of the Schkopau Buna plant to 2000 tons per month and the problems connected with this.

13 Oct. File note Dr. Struss on a phone call with Staff for Raw Materials and Foreign Exchange concerning the prospective Buna production 1937-1939.

5 Nov. Letter: Office for German Raw & Synthetic Material (Lt. Col. Loeb) to I.G. concerning the dispatch of the draft contracts for the Schkopau Buna production of 2000 tons per month.

Document No. NI-306 (Cont'd)

1936(Cont'd)

23 Nov. Letter (Dr. Struss, Frankfurt/1) to Office for German Raw  
and Synthetic Materials (Dr. Eckell).

Transmission of contract principles for the construction of  
a Buna factory.

Financing suggestions.

(Reference conference with Dr. Eckell of 19 Nov., of which  
handwritten notes of Dr. Struss are available).

7 Dec. Note Dr. Struss re: telephone call of Dr. Eckell re immediate  
construction of a second Buna factory for 1000 tons per month.

7 Dec. File note (Dr. Buhl) about a conference with Dr. Eckell in  
Berlin on 4 Dec.

Discussion of the contract principles (without mention of the  
financial questions) for the construction of a Buna plant.

(Page 8 of original)

9 Dec. Letter (Dr. ter Meer, Frankfurt/1) to Dr. Eckell, Office for  
German Raw & Synthetic Materials, Berlin.

Confirmation of the telephone conversation re various  
technical details re the Buna plant Schkopau.

Willingness of I.G. to collaborate in the construction and  
management of Buna plant II.

9 Dec. Conference report (Dr. Frentzel, Frankfurt/1) about a meeting  
in the Reich Finance Ministry with officials of the Reich  
Finance Ministry and the Reich Economic Ministry, under  
consultation of Dr. Eckell of Office for Raw Materials.

Detailed conference re: easing of and release from taxation  
for the Buna GmbH, Schkopau, which will be established.

17 Dec. Letter (Dr. ter Meer, Frankfurt/1) to Dr. Eckell, Office  
for German Raw and Synthetic Materials, Berlin.

Transmission of the draft contracts (directives for the sett-  
lement of accounts) omitting the agreements which have to be  
made for the financing.

17 Dec. Letter (Dr. ter Meer, Frankfurt/1) to Dr. Eckell, Office for  
German Raw and Synthetic Materials, Berlin.

Handing over an expose re the financing of Buna plants accord-  
ing to the meeting in the Reich Economic Ministry on 16 Dec.  
(Handwritten notes of Dr. Struss are available about this  
meeting).

22 Dec. Letter (Dr. ter Meer, Frankfurt/1) to Dr. Eckell, Office  
for German Raw & Synthetic Materials, Berlin.

Request for detailed information from the Commissioner for  
Price Control about the construction costs and the production  
price of the types of Buna, to be produced in the 2000-ton-  
plant at Schkopau.

Document No. NI-306 (Cont'd)

1936(Cont'd)

31 Dec. Letter (Dr. Ambros, Ludwigshafen) to Dr. Eckell, Office for German Raw and Synthetic Materials, Berlin.

Question of location of Buna plant II.

(Page 9 of original)

1937

5 Jan. Letter: Office for German Raw and Synthetic Materials, Berlin to I.G. (Dr. ter Meer).

Increase of Buna output to 3000 tons per month by January 1948 (2000 in Schkopau and 1000 as the first development phase in Fuerstenberg).

7 Jan. File note (Dr. Konrad, Leverkusen) on a conference in the Office for German Raw & Synthetic Materials of 22.12.36 in the presence of Representatives of the German tire industry.

General discussion about the exclusive utilization of Buna S instead of Buna N for tire production.

14 Jan. File note (Dr. Struss, Frankfurt/a.) on a conference in the Office for German Raw & Synthetic Materials, Berlin.

State of Buna plant I and II.

Start of production of the 200 tons per month installation on 1 March and increase up to 2000 tons per month by about the beginning of 1938.

Discussion of the location question for Buna plant II (project Zweckel).

21 Jan. Letter of Reich Finance Minister to I.G. re: release from taxation and easing of taxation for Buna GmbH.

29 Jan. and 6 Feb. Correspondence between Office for German Raw and Synthetic Materials and I.G., re: Buna contract.

12 Feb. Conference report (Dr. Struss, Frankfurt/a.) about the meeting in the Office for German Raw and Synthetic Materials of 11 Feb. in the presence of representatives of Conti.

Rejection of the request made by Conti in the name of the entire German rubber industry for I.G. to roll and soften Buna (Vormastizierung).

17 Feb. Expose Dr. ter Meer about basic points for the establishment of the Schkopau works and for the Buna contract (10 copies were sent to the Office for German Raw & Synthetic Materials on 19 Feb.)

23 Feb. and 3.3. Correspondence with Office for German Raw and Synthetic Materials concerning terms of payment of the Reich for the loan for the construction of Buna plant Schkopau.

23 Feb. and 25.2. Letter I.G. to Office for German Raw and Synthetic Materials.

Transmission of the Buna draft contracts and information on the cost of the Buna experiments 1928-1936.

TRANSLATION OF DOCUMENT No. NI-8326 and  
NI-306 (Cont'd)

Document No. NI-306 (Cont'd)

(Page 10 of original)

1937 (Cont'd)

4., 19., 22., 30 March and 14 Apr. Correspondence of Office for  
German Raw and Synthetic Materials with I.G., concerning  
Buna plant Schkopau.

Inspection of the plant, questions of power supply, raw  
materials, housing.

13., 20., 23 April -- 7., 13., 15., 18., 24., 29 May -- 5., 18 June --  
5., 7., 9., 16 July -- 10., 16., 20 August -- 20., 25 September --  
15., 29 November

Correspondence Office for German Raw and Synthetic Materials-  
I.G.

29.4 2 File notes (Dr. Struss, Frankfurt/1) about conference in  
Office for German Raw and Synthetic Materials.

10., 17., 25., 26., 31 Aug.  
Correspondence: Office for German Raw and Synthetic Materials-  
I.G. and various other firms.

Supply of raw material and terms for the construction of Buna  
plant Schkopau.

13. and 22 Sept. -- 1, 9, 11 and 21 Dec.  
Correspondence Reich Commissioner for Price Establishment,  
the Office for German Raw and Synthetic Materials and I.G.

1938.

4 Jan and 10 March. Buna contract with the Reich

24 Jan. Report (Dr. Albers, Frankfurt/1) on a conference with the  
Control Office for Rubber in Berlin.

General questions of sale, allocation of Buna, consumption  
of I.G. itself, waste material.

(Page 11 of original)

1938.

2 Feb. Price establishment for Buna.

Correspondence Reich Commissioner for Price Establishment,  
the Office for German Raw and Synthetic Materials and I.G.

Frankfurt/1.,  
11 April 1947.

CERTIFICATE OF TRANSLATION

I, DOROTHEA L. GALEWSKI, ETO #34079, hereby certify that I am thoroughly  
conversant with the English and German languages; and that the above  
is a true and correct translation of Documents No. 8326 and NI-306.

DOROTHEA L. GALEWSKI,  
ETO #34079.

END



AFFIDAVIT.

I, Dr. Ernst STRUSS, Director of I.G. Farben, Chief of Ton Bureau of I.G., Secretary of the Technical Committee of the Vorstand of I.G. Manager of Division II (Sparte II) of the Vermittlungsstelle W, and, since 1943, Production Manager of the entire German dyestuffs industry within the framework of the Economic Group Chemical Industry, after having first been warned that I will be liable for punishment for making a false statement, state herewith under oath, of my own free will and without coercion, the following:

(page 2 of original)

I have carefully read each of the 31 pages of this declaration and have signed them personally. I have made the necessary corrections in my own handwriting and initialed them and I declare herewith under oath that I have given the pure truth to the best of my knowledge and conscience.

(signed:) Dr. Ernst STRUSS  
Dr. Ernst STRUSS

Sworn to and signed before me this 12th day of June 1947 at Frankfurt/Main by Dr. Ernst Struss known to me to be the person making the above affidavit.

(signed) Otto HEILBRUNN  
Dr. Otto HEILBRUNN  
Civilian, ETO 30140  
Office of Chief of Counsel  
for War Crimes  
U.S. War Department.

On the Founding of the Buna Works of the I.G.

The idea of erecting a special buna plant in Knappeack on the basis of the carbide there, independently of the experimental equipment available up to that time in Leverkusen, Ludwigshafen and Hoechst, came to the Rubber Commission for the first time in the year 1929: on 5 July 1929 a conference took place in Knappeack, the results of which are recorded in a document signed by ter Meer (see Rubber file, various conferences beginning with 1930 No.1). One had in mind the erection of a plant for the production of buna preliminary products from acetaldehyde via alfol to butadiene; the question as to where the polymerisation was to be carried out remained open. It was planned to spend a total of 2.821.000 RM. for equipment and construction costs for the production of 60 tons of buna per month. The following participated in this conference:

|              |   |              |
|--------------|---|--------------|
| DR. WINTER   | ) | Knappeack    |
| DR. WEIGER   | ) |              |
| DR. SCHUMANN |   | Ludwigshafen |
| DR. ROTH     |   | Hoechst      |
| DR. OTT      |   | Leverkusen   |
| Dr. TER MEER |   | Urdingen     |
| TSCHUNKUR    |   | Leverkusen   |

Ludwigshafen, Indigo Division, on 23. July 1929 sends a draft, signed by O. SEIDEL and SCHUMANN, for the program requirement of a Knappeack plant to the members of the Rubber Commission, which provides for expenditures of 3,000.000 RM. (Cf. also Program No. Lu 571 L dated 5. August 1929, File Rubber Conferences). In this draft Ludwigshafen touches first of all briefly on the historical development of the work in Leverkusen/Elberfeld and Ludwigshafen before 1914 or during the world war 1914 - 1918, respectively; there is mentioned the manufacture of ca. 2,500 tons of dimethyl rubber in Leverkusen/Elberfeld during the war, the production of methyl butadiene (isoprene) and the decomposition of tetrahydro benzol or hexahydrobenzol, respectively, by cracking into butadiene in Ludwigshafen. Then the method via 1,3. - butylene glycol out of acetaldehyde -

(page 2 of original)

- the latter out of carbide or, according to the Oppau acetylene process, by thermic splitting of methane - is described. The polymerisation and the economic prospects are also discussed. - Leverkusen agrees in principle on 27 July 1929 (signed by LECHER and STRUSS), after making a few corrections, particularly with regard to the historical development. In a letter of 30. July 1929 KRAUCH sends KREKELER a calculation of the butadiene according to the Oppau process on the basis of methane - acetylene, etc. In a letter of 8. August 1929 to the members of the Rubber Commission KRAUCH, Ludwigshafen, nitrogen management, turns down the projected plant in Knappeack, firstly, because he said it was not possible at that time to produce buna at a price, which could compete with natural rubber, secondly, because it was a false conclusion to transfer the technical processing conditions of carbide-acetylene to methane - acetylene and finally, pointing out

(Page 2 of original, cont."d)

the continuous process worked out in Oppau as compared with the economically more unfavorable discontinuous process planned for Knappsack. KRAUCH believes he is able to get along with substantially lower plant costs manufacture in Louisa. With that, and essentially, also conditioned by the economic crisis in Germany, this plan was not executed, and only after National Socialism had taken over were the endeavors to establish the manufacture of synthetic rubber revived again.

In the conference of the Rubber Commission on 5 July 1933 the interest of the Reich War Ministry in the rubber question and the contacting of MUELLER-CUNRADI are taken up. Simultaneously it is proposed in this conference to resume work in the rubber field and to provide for this, to begin with, the sum of 100,000 - 120,000 RM. In a letter to TER MEER dated 4 August 1933 MUELLER CONRADI reports in the form of a draft for a letter to

(Page 3 of original)

the Reich War Ministry about his oral statement made there. His letter was sent on 15 August 1933 to the Army Ordnance office; it mentions as participants in the first conference on 21 July 1933:

Col. KUEHNE,  
Lt. Col. v. BONHARD,  
DR. HAGEMANN

and from the I.G.: DR. MUELLER CUNRADI.

On 6 July 1934 there is delivered to DR. KRAUCH a "Progress Report on Synthetic Rubber", worked out in Leverkusen by Konrad to be passed on the Army Ordnance Office for the attention of General LIESE. (Carbon copies to the members of the rubber commission). Directly following this there is a conference at the Army Ordnance Office on 11 July 1934.

Present:

Major PHILIPPS )  
Dr. HAGEMANN ) of the Army Ordnance Office

DR. KONRAD )  
DR. MUELLER CUNRADI ) of the I.G.

DR. LEFER )  
DR. NEUMANN ) of Conti.

The first part of the conference took place without the gentlemen of the Conti, the second part when they were present.

On 21 July 1934 there is a basic discussion in Leverkusen with the Reich Plenipotentiary for Rubber, E. HAMMESFAHR, Hamburg, in which there participated, in addition to the gentlemen from Leverkusen, STRUSS (Frankfurt) and AMEROS (Ludwigshafen). In this discussion the questions of costs and locations for manufacture on a large scale are already touched on. There follows a conference in the Control Office (Ueberwachungsstelle) for Rubber and Asbestos on 30 October 1934 under the chairmanship of HAMMESFAHR, in which there also participated KETTLER as Economic Plenipotentiary of the Fuehrer, MURECK of

(page 3 of original cont'd.)

the Army Ordnance Office and HOFMANN and GRAMBSCH of the Reich Ministry of Economics, as well as representatives of METZELER (MAULL, etc.) and of the

(page 4 of original)

I.G. TER MEER, STANGE, KONRAD, AMEROS, MUELLER-CUNRADI, ROTH and STRUSS. The government desires that things be pushed "with elemental force" (according to KEPPLER an expression of the Fuehrer) and demands of the I.G. an output of 1000 tons per month; agreement is reached on a plant for 200 tons per month. In the afternoon of the same day there are discussions and fixed within the I.G. the possibilities and proposals for a 200-ton-per-month butadiene plant. The result is discussed the next day by TER MEER and STRUSS with HAMMESFAHR and the operation of a 200-ton-per-month plant by the end of 1935 is planned. A price of 5 RM. per kg. is mentioned; TER MEER accedes to the taking over of the costs by the I.G. in the amount of about 15,000,000 RM., subject to a discussion with SCHMITZ.

Further visits and conferences with HAMMESFAHR and DR. HAGEMANN occurred on 8 November 1934 in Leverkusen, on 10 November 1934 at the Huerburging and on 30 November 1934 in Ludwigshafen. Noteworthy are remarks by HAGEMANN and HAMMESFAHR that the Reich Chancellery has an inexplicable grudge against the I.G.

The coverage of the required capital was to be effected, according to HAMMESFAHR, in order to eliminate the financial risk of the I.G. by the Reich and the processing industry.

After visits of STRUSS with GATTINEAU in the Reich Ministry of Economic (State Secretary POSSE, SARNOW, HOFMANN, V. WEDELSTADT and SEIBOTH) on 29. November 1934 and in the Army Ordnance Office (General LIESE and Major BECHT) on 30 November 1934, on which occasion the name of PLESTERITZ was mentioned for the first time as a location, there took place on 10 December 1934 in Berlin a conference of TER MEER and STRUSS with KEPPLER, in which HAMMESFAHR also participated. The conference dealt with the 1 - and 2 - stage process, the utilization of the hydrogenation waste gases and the properties of duprene, etc.

(page 5 of original)

On 7 January 1935 there was again an unexpected visit by HAMMESFAHR in Ludwigshafen, on which occasion he states that Mr. SCHACHT stated to Mr. SCHMITZ the necessity of providing a 2000-ton-per-month plant. AMEROS depicts the present state of the work. On the occasion of a similarly unexpected visit of DR. HAGEMANN of the Army Ordnance Office in Leverkusen he opines that the production of synthetic rubber no longer is a problem of foreign exchange, but has become a question of military economy. HAGEMANN declares further that because of remarks of GEYER (Conti) in the presence of about 20 representatives of the War Department, great uncertainty had arisen there in regard to judging the rubber questions. According to HAGEMANN the Army Ordnance Office considers it valuable that driving tests on a considerable scale should be



(page 5 of original cont'd.)

made in addition to the Fuhrburg tests.

In contrast to the above-mentioned remarks of Dir. GEMMEKE, DR. MAUL still claims in contrast to DR. TER MEER and DR. STRUSS on the occasion of the visit of the two gentlemen with METZELER -- to be noted is the extremely cool reception on the occasion of this visit in January 1935 -- to the view that problem of tires should be solved by production on a large industrial scale from 100% buna.

A visit of GEMMEKE in Leverkusen must have occurred some time later.

On 20 February 1935 there then take place in Berlin in the forenoon conferences at the Army Ordnance Office (Major PHILIPS, DR. HAGEMANN, Major DECHT) in which STRUSS, MUELLER-GUNRADI and KERNAD participate, and in which Major PHILIPS states that the Wehrmacht demands absolute leadership in the question of synthetic rubber. In addition to a discussion concerning the most suitable form of driving tests -- for this Conti is to furnish 60, METZELER 40 experimental tires in a short time -- there is also discussed the question of location for manufacture on a large scale; Louisa is rejected by

(page 6 of original)

Major PHILIPS because of the coupling with gasoline and also because of the order of HILDEBRANDT is a.k. id. Confidentially Kerner mentioned in a preliminary conference the conversion from Buna N to Buna in Leverkusen; in the afternoon conference on the same day at the office of KERNER and HILDEBRANDT, at which there were also present representatives of Conti and Metzeler, there were discussed first of all the insufficient demands of the rubber industry for the various polymerizations, and, in addition, the question of the production and utilization of 100% synthetic tires and the question of admixtures. Since the representatives of the rubber factories were very cautious and declared that it was impossible to produce 100% buna tires -- even Dr. MAUL is utterly astonished at this -- STRUSS declared that under these circumstances one should think twice before a.k.ing the large-scale plant. At the urgent requests of KERNER, who recalled in this connection a pet idea of the Fuehrer with reference to the establishment of a rubber factory, it was decided to discuss the question of manufacture in a very small group after the return of TER MEER. This conference of TER MEER and STRUSS took place on 14 March 1935 at KERNER's office in Berlin; Major DECHT of the Reich War Ministry was also present. As the most important manufacturing problems there were picked out:

- 1.) The acetylene process (acetylene or carbon arc acetylene),
- 2.) Butadiene furnaces.

It is again pointed out that the measures to be taken all hinge on the processing industry, namely not only in the production of tires but also for other industrial possibilities of application.

(Page 7 of original)

5 RM. per kg. is established as the delivery price for synthetic rubber until further notice. A large plant for 2500 tons per year will probably cover the running needs of the army management for the present. KEEPLER is in favor of providing possibilities of expansion, taking into account the requirements of the railways and the postal services. A tentative planning is to be worked out for FIESTERITZ. It may not be technically feasible yet in the near future to proceed via vinyl acetylene to butadiene.

During the ensuing months there were again several visits by Dr. HAGEMANN and a DR. EXNER of the Army Ordnance Office (E. is rubber technician, formerly with the Fulda Works, is recommended by HAHMESFAHR and is to relieve HAGEMANN) and conferences regarding driving tests, cooperation with the Institute for Motorized Transportation (Institute fuer Kraftfahrwesen) in the Dresden Institute of Technology (Dr. Martin), etc., in which reference is also made to the significance of rubberized materials for gas masks, gas protective clothing and the subject of field cables.

After a by-play between HAHMESFAHR and FLEIGER of the Reich Chancellery, which cannot be understood in view of the conference KEEPLER/TER MEER on 14. March 1935, the conferences between TER MEER and KEEPLER are resumed by the latter in August 1935, which lead to a conference on 29 September 1935 in the Reich Chancellery. Present: KEEPLER, FLEIGER, TER MEER, STRUSS. After a report by TER MEER the guiding principles for further procedure are established (see document in the file Buna Contract Schkopau). When the erection of a small butadiene furnace for 6 tons per month is mentioned, FLEIGER remarks: "Why cannot 100 such furnaces be erected side by side?" (STRUSS). In connection with this conference there is an exchange of correspondence in November 1935 between KEEPLER and STRUSS regarding the difficulties that have arisen in the meantime concerning the guarantee purchases on the part of the Reich War Ministry.

(Page 6 of original)

as well as of the Reichsbahn and Postal Service, and concerning questions of financing. In his reply STRUSS mentions that the planning and management of the plant that is to be built have been transferred to Dr. Ambros; the preliminary work for FIESTERITZ is supposed to be completed, according to a communication of AMBROS; but the situation in FIESTERITZ has shifted quite substantially since the end of 1934, so that a new site near DOELLNITZ, about 9 km north of Louna, is projected. Confidentially it may be remarked that the change of location was conditioned essentially by the generous proposal of Privy Councillor BOSCH to erect a new large-scale plant, which was to be supplied with Central German lignite (STRUSS). KEEPLER further points out the working out of a contract between the Reich and the I.G.

The first point (difficulties of purchases on the part of the Wehrmacht) is also discussed in a conference in Leverkusen (Lt. Col. PHILIPPS, DR. HAGEMANN, DR. EXNER-STANGE, LUDWIG, KONRAD.)

TRANSLATION OF DOCUMENT No. WI - 7241  
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(page 8 of original cont'd)

PHILIPPS admitting that the pressure for the immediate construction of the rubber factory (time: Parteitag Nurnberg) emanated from the Wehrmacht; PHILIPPS states further that nothing remains but to dispose of the synthetic rubber on the open market, as only a small part of the future production could be disposed of to the Wehrmacht in peace times, and as other authorities, such as the Reichsbahn and the Postal Service, also could not completely take over the remaining quantities. PLEIGER is turned down as a negotiation partner by PHILIPPS as well as by various undertakings.

(page 9 of original)

There has been received from the Army Ordnance Office (DR. HAGEMANN) a detailed report dated 30 October 1935, concerning: "Situation with regard to testing of synthetic rubber as to utilizability in army equipment and proposals for disposing of the planned production."

The year 1936 brings a marked sudden change in the attitude of the military authorities with regard to the buna question. -- Instead of the 200-tons-per-month plant there is demanded one for 1000 and later on for 2000 tons per month; even the project of a second buna factory already appears. The most important dates of the development in 1936 are the following:

On 21 January 1936 the Schkopau Project is mentioned for the first time in a letter from TER MEER to KEPPLER, which presumably was already approved by KEPPLER and the other pertinent authorities in verbal discussions.

On 4 April 1936 TER MEER sends KEPPLER the draft for a contract to be closed between the Reich Ministry of Economics and the I.G., with reference to the erection of a manufacturing plant for 200 tons of synthetic rubber per month.

There were verbal conferences on 8 February 1936 (with reference to application of the land acquisition law) and on 11 February 1936 in the Reich Ministry of Economics.

(Present: Privy Councillor KUEGLER (successor to State Secretary POSSD), DR. HOEFMAN - TER MEER, AMEROS, V. DEHN-ROTHWILSER).

There was discussed at the latter conference: 4- and 2-stage process, respectively, uncertain development of sales, for which the necessity of a short-term amortization and a shortage guaranty. KEPPLER, who is informed by AMEROS concerning the result of the conference, warns about bringing further ministerial offices into the picture, because of the danger of delay. Through KEPPLER the discussions with the Reich Ministry of Finance with regard to the contract are taken up. The next conference of some size will take place on 4 June 1936 in the Reich Ministry of Economics again.

(page 10 of original)

Present:

|                                     |   |
|-------------------------------------|---|
| Privy Councillor DR. <u>KUDDLER</u> | Chief of the Chemistry Section in the Reich Ministry of Economics |
| DR. <u>LUEDECKE</u>                 | as representative of DR. <u>PURPE</u>                             |
| DR. <u>KACHTIGALLER</u>             | Control Office (Ueberwachungsstelle) for Rubber                   |



TRANSLATION OF DOCUMENT No. HI - 7241  
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(page 10 of original cont'd.)

|                                      |  |
|--------------------------------------|--|
| DR. HOFMEIER                         | Chemistry specialist of Privy Councillor                         |
|                                      | DR. KUEGLER  |
| Ministerial Councillor FRH. V. MAASS | Specialist for natural rubber in the Reich Ministry of Economics |
| DR. WILHELM                          | Specialist with Ministerial Councillor V. MAASS                  |
|                                      |  |
| DR. STRUSS                           |  |
| DR. ALBERS                           |  |
| DR. V. DEUKING.                      |  |

STRUSS reports in detail concerning the present situation; Schkopau is to get under way in February 1937 with the plant for 200 tons per month. He points out that the 2-stage process will certainly constitute the technical culmination of the development and that the investments made for the 1-stage process must be considered to be mis-investments. Instead of the uniform sales price of 5 RM. per kg. hitherto, the prices would fluctuate after the completion of the Schkopau plant for the individual Buna brands between 3.80 and 4.90 RM. LUEDECKE urges all possible speed; KUEGLER would like to entice Dr. STRUSS to declare that the development is too precipitate.

A few days later, on 15 June 1936, KLAUCK calls a conference in the Raw Materials and Foreign Exchange Office. Present:

|                       |   |
|-----------------------|---|
| DR. KLAUCK (Chairman) | Raw Materials and Foreign Exchange Office |
| DR. PUPPE             | " " " " "                                 |
| Captain GRIEST        | " " " " "                                 |
| Captain NEUBAUER      | " " " " "                                 |
| DR. RITTEL            | " " " " "                                 |
| (from time to time)   | " " " " "                                 |
| DR. HORNELL           | " " " " "                                 |
| DR. TER MEER          | ) I.G.                                    |
| DR. STRUSS            | )   |
| MURDOCK               | Reich War Ministry                        |
| Reg. Rat DR. HAGEMANN | ) Army Ordnance Office                    |
| Reg. Rat DR. TUNDE    | )   |
| Dr. REINHARDT         | KEPPLER's office.                         |

(page 11 of original)

The increase of the Schkopau Plant from 200 to 1000 tons per month is discussed. According to determinations of KEPPLER's office it is supposed to be possible to dispose of 1000 tons per month without difficulty. The result of the conference is confirmed by a letter dated 16 June 1936 from Ministerpräsident Generaloberst GOERING, Raw Materials and Foreign Exchange Office, signed by Lt. Col. LOEB. In the interests of making the German rubber supply safe, the immediate expansion of Schkopau to 1000 tons per month is demanded. The Reich must give certain guarantees for the sales or for the price of the synthetic rubber. The question of the possibilities of financing of the plant by the I.G. is to be examined. In a letter of the I.G. to the Raw Materials and Foreign Exchange staff dated 29 June 1936 this



TRANSLATION OF DOCUMENT No. HI - 7241  
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(page 11 of original cont'd.)

letter is confirmed and attention is called to the rewriting of the draft of the contract with the Reich.

On 10 July 1936 there is a further conference with the Raw Materials and Foreign Exchange staff, which is confirmed by the latter by a letter of the same date. The expansion of the Schkopau plant to 1000 tons per month is to occur according to the 4-stage process. The necessary details are to be agreed on with KEPPNER. In view of a further expansion of the synthetic rubber production from 1000 to 2000 tons per month which must possibly be provided for, the question of the location for a further plant for 1000 tons per month is to be taken up immediately, namely one location on the Elbe, 30 km above or below Magdeburg, and one in the Weser region.

The next conference takes place on 22 July 1936 with DR. HAGEMANN of the Army Ordnance Office (present TER MEER, STUSSL, KONRAD, HASENCLEVER). The first orders for the 2000 - tons - per - month plant are not to be issued until the 200-tons-per-month plant has been in operation for some time. The manufacture is to provide a distribution of Buna S to Buna 85 in the ratio of 900 : 100. In the case of the 200-tons-per-month plant it was still assumed that S and 85 were in equal parts. The requirements of the army management are estimated at 5000 tons per month in case of war.

(page 12 of original)

In the days from 11 to 13 August 1936 TER MEER has detailed conferences with KEPPNER and together with him at the office of Reich Finance Minister SCHAFERIN VON KROSIGK concerning the contract. A draft had been sent by KEPPNER to TER MEER on 1 August 1936 and others by REIBLHAENDER.

Two letters from KEPPNER to TER MEER dated 29 September 1936 and 2 October 1936 show that the construction of a 200-tons-per-month plant in Schkopau is now planned, to which the War Economy Staff (Colonel THOMAS and Major SZIMATIS) is also agreeable. The question of settlements and the possible calling in of the Labor Front in this connection is discussed; TER MEER expresses himself approvingly with regard to these proposals on 6 October 1936.

In accordance with a file memorandum on a long distance telephone conversation with the Raw Materials and Foreign Exchange Staff by DR. RI and Lieutenant Colonel LOEB, one expects to put the 200-tons-per-month plant in Schkopau into operation on 1 March 1937, and the 2000-tons-per-month plant on 1 July 1938.

At the beginning of November 1936 in connection with a visit of AMER in Berlin, it appeared that Dr. ECKELL has left the I.G. completely and had taken a position as a civil service employee under LOEB and SZIMATIS, in the above mentioned office, to deal with the rubber, carbon black and synthetic materials sectors. In the meantime ECKELL seems to have been already very active, for instance in preliminary conferences with OBERKOPF concerning a carbide spirits plant in UFFER

TRANSLATION OF DOCUMENT No. HY - 7241  
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(page 12 of original cont'd.)

SILESIA near Waldenburg or in the vicinity of Oppeln. AMEROS could not avoid calling this procedure an unfriendly gesture with respect to the I.G.

AMEROS proposed for Buna plant II a location near Fuerstenberg on the Oder; SZIMATIS proposes Minden on the Weser in connection with a new large alumina and aluminum factory. By a letter dated 5 November 1936 Lt. Col. LOEB interposes himself or the Office "Ministerpraesident Generaloberst GOMRING, Plenipotentiary for the Four Year Plan, Office for German Raw Materials and Plastics", in the contract and financing conditions;

(page 13 of original )

to this the I.G. replied on 23 November 1936 to the Office for German Raw Materials and Plastics, attention ECKELL. From now on further negotiations are carried on almost exclusively with ECKELL. Thus on 4 December 1936 the negotiations concerning the basis of the contract and the questions of financing with THE MEER and BUEL took place under his chairmanship.

of LOEB,

Acting on the instruction/ ECKELL states by telephone on 7 December 1 that the supreme authority (seemingly the Fuehrer himself) believes that the second buna factory with a capacity of 1000 tons per month should be erected immediately. The financial question was to be solved in the course of the week over the heads of the two ministries. A letter from the I.G. dated 9 December 1936 states their basic position with reference to the questions under discussion.

Directly following the negotiations of the Central Tax Division of the I.G. (Dr. FRIEDRICH) with the Reich Ministry of Finance on 9 December 1936, the I.G. sends the draft of a contract to ECKELL on 17 December 1936; in a further letter from THE MEER to ECKELL of the same date THE MEER gives his ideas concerning the assessment of a tax on imported natural rubber for the partial financing of the buna factories.

The last communications from the I.G. to ECKELL on 22 December 1936 and 31 December 1936 concern the plant costs, etc. for 2000 tons of buna per month and 2000 tons of spirits per month, which are given as approximately 170 million RM; in addition the question of location for Buna Plant II is dealt with -- Elbe project or Fuerstenberg on the Oder, after Minden on the Weser was eliminated because of difficulties in supplying current.

January 1937.

The difficulties concerning the rubber supply of the Reich are expressed again in a letter from LOEB to THE MEER; at the behest of the Fuehrer production plants with a capacity of 3000 tons of buna per month are to be provided by the end of January 1938. Schkopau is not to be expanded beyond 2000 tons per month; an additional 1000 tons per month, according to

(page 14 of original)

the 4-stage process, is to be the first stage of expansion of the Fuerstenberg plant, whose output will also amount to 2000 tons per month. On 14 January 1937 there is drawn up in the office in conjunction with ECKEEL a document about these demands, which contains the following with reference to time limits:

The 200-tons-per-month Schkopau plant will go into operation on 1 March 1937. Full production of the 2000-tons-per-month plant will presumably not be attained until May/June 1938.

For Buna II the earliest starting date will probably be 1 January 1939. From the viewpoint of economy and technology it would seem advisable to consider a more advantageous location than Fuerstenberg, which is built up on the hydrogenation carbohydrates in the electric arc. The Zweckel project is mentioned.

In connection with the contract negotiations TET MEER on 19 February 1937 hands ECKEEL a document entitled "Basic viewpoints for the establishment of the Schkopau plant and the buna contract", which takes an unmistakable stand with reference to the petty intrigues of various official authorities in Berlin.

On 11 or 12 March 1937 representatives of various Reich offices made an inspection of Schkopau, in which AMEROS, DEMCKER and STRUSS of the I.G. participated.

The articles of incorporation and the company contract of the Buna-Werke G.m.b.H. completed on 7 February 1937 in Frankfurt are transmitted to the Office for German Raw Materials and Plastics on 19 April 1937.

The contract negotiations which have been pending for months are delayed again and again; the I.G. takes a very energetic stand on this in a letter of 20 April 1937 to the Office for German Raw Materials and Plastics and urgently requests that in future only authorized representatives of the various Reich offices participate in the negotiations.

(page 15 of original)

In a similar manner the questions of settlements by the German Labor Front are also dragged out, with reference to which the Buna-Werke G.m.b.H. expresses its attitude in a letter of 14 April 1937 to the Office for German Raw Materials and Plastics. The same letter confirms that the Reich will make available to the I.G. for the expansion of the 2000-tons-per-month plant in Schkopau 40 million RM. in 1937 and 50 million RM. in 1938.

Thereupon there is another conference on 29 April 1937 in the Office for German Raw Materials and Plastics, as a result of which a new draft of a contract (signed by SZINATIS) is sent to the I.G. on 7 May 1937. Simultaneously a number of explanations and the transmittal of contracts or drafts of contracts, between the I.G. and the Buna-Werke G.m.b.H., as well as the changed guiding principles,



(page 15 of original cont'd.)

are demanded of the I.G. This was taken care of during May the're by being sent to President LANGE in the Office for German Raw Materials and Plastics. There were repeated discussions with regard to the buna sales, the Reich not wanting to eliminate the participation of the trade.

Running parallel to this now are the contract negotiations regarding delivery of coke and lime to the Buna-Werke G.m.b.H.

In a letter of 16 August 1937 the Office for German Raw Materials and Plastics sends the I.G. the contract signed by the Reich Minister of Finance, the Reich and Prussian Minister of Economics and the Office for German Raw Materials and Plastics; but the signing on the part of the I.G. cannot be assured until the letter of 26 September 1937, since the Reich had again inserted more or less important changes. Even after the signing of the contract there were still disagreeable controversies (cf. letter of the I.G. to President LANGE, dated 29 November 1937).

(page 16 of original)

In the same period fall the complaints of the Buna-Werke G.m.b.H. because of the unsatisfactory delivery or because the required quantities of iron and other materials are not delivered in the specified time. (cf. also the letter from the I.G. to the Office dated 26 August 1937). The question of prices (letter from the Office, Div. Reichskommissar for Price Structure, dated 9 December 1937) also calls forth a sharp retort on the part of the I.G. (11 December 1937); the price of 4 RM per kg is still valid.

(page 17 of original)

Buna-Werke II HUELS

Comprehensive reports concerning the preliminary history or preliminary negotiations, are available:

- 1.) Ludwigshafen dated 5 June 1937
- 2.) Ludwigshafen dated 4 August 1937
- 3.) - dated 22 March 1938
- 4.) - dated 9 April 1938

Chemical Werke Huels G.m.b.H.

74% I.G.                      26 % Hibernia

The hydrogenation gases are furnished by the Scholven hydrogenation Plant which in turn obtains the gases (hydrocarbons and hydrogen) from the Hibernia. From the hydrogenation gases there are obtained by the carbon arc process acetylene and ethylene, which in turn are processed into buna and ethylene oxide or derivatives of the latter.



TRANSLATION OF DOCUMENT No. NI - 7341  
CONTINUED.

(page 17 of original cont'd.)

- 5.) There is a report dated 28 April 1938 concerning negotiations with ECKMEL, gentlemen of the Army Ordnance Office and Schelven.
- 6.) Report MENGDEHL HUELS dated 28 August 1942. This report, compiled at the request of the Technical Committee Office in Frankfurt on the Main, contains detailed statements and data regarding the Huels Plant from its establishment until the summer of 1942.

( page 18 of original)

Bunawerk III.

- 1.) Informational trip to Sudetengau from 28 October to 1 November 1938 and on 11 November 1938. Report signed by Mack and Bisfeld.
- 2.) Inspection trip to Upper Silesia from 20 to 23 November 1938. Report signed by ? and Bisfeld.
- 3.) Comparison of the various locations (2/8 December 1938)
- a) Fuerstenberg on the Oder
  - c) Upper Silesia near Waldenstein - Gogolin
  - b) Sudetengau (Soestadt in the Bruex District)

(signed by Bisfeld and Rhode).

(page 19 of original)

On the Founding of the Buna Works of the I.G.  
Continuation from 1938 on .

In connection with the report under the above caption, which, starting from the year 1930 to the end of 1937, gives a pretty detailed account of the construction of the first buna plants, and in the report "Conferences concerning Buna with Government Offices, dated August 1945", which extends from 1933 to the beginning of the year 1938, it will be attempted in the following, almost without file data, therefore quite preponderantly from memory, to give a report concerning the further development of the Buna Works.

At the end of the year 1938 Messrs. MACK, BISFELD and RHODE made, at the behest of DR. AMEROS, informational trips in order to determine a good location for a third Buna plant in the eastern or central part of Germany. The following locations were offered for choice:

- 1.) Fuerstenberg on the Oder,
- 2.) Soestadt in the Sudetengau,
- 3.) Waldenstein (Gogolin) in Upper Silesia.

The last two locations had to be dropped, so that in 1939 only Fuerstenberg could be chosen. In the course of the year 1939 more detailed investigations were carried out in Fuerstenberg. The scruples which AMEROS cited in regard to Fuerstenberg were

TRANSLATION OF DOCUMENT No. NI - 7241  
CONTINUED

( page 19 of original cont'd.)

1.) The very limited site which was available north of the city on the bank of the Oder,

2.) the uncertainty of the coal and coke supply, for

(page 20 of original)

the investigations showed that the Oder, say in comparison with the Rhine, was an extremely uncertain waterway, which regularly froze over in winter for several months. No coal was available from the immediately adjacent lignite pits.

3.) A preliminary calculation showed that buna would be about 8-10 Pf more expensive in Fuerstenberg than in Schkopau and Huels 1.68 - 1.70 Mk as compared to 1.60 .

Buna-Work III in Fuerstenberg was to be constructed with 50% participation of the German Rubber Industry, the Continental Gummi-Werke Aktiengesellschaft, Hannover, to act as the representative of the German rubber industry. The plant was to be laid out for 12,000 tons per year, with possibility of later expansion to twice that quantity. On a scale such as that the available site would have been utilized completely.

Meanwhile war had begun and the Reich offices urged a substantial expansion of the manufacture of buna. About 120,000 tons per year were demanded. According to the view of the I.G. this could be attained most inexpensively and quickly by an expansion of Schkopau from 40,000 to 70,000 tons and an expansion of Huels to 45,000 tons. To this was added the Leverkusen production with 5,000 tons. Thus Fuerstenberg was finally dropped in 1940 and the significant expansion of Schkopau was carried out at maximum speed. This plant attained in 1942 a production of 60,000 tons and in the year 1943 over 70,000 tons, whereas Huels, because of the heavy bombing attack of June 1943,

(page 31 of original )

never attained the planned capacity of 45,000 tons, but annual production remained between 30,000 and 40,000 tons. Meanwhile DR. ECKHART, who had been transferred to the Reich Ministry of Economics, but simultaneously maintained close relationships with the Reich Office for Economic Development, made further calculations, which showed buna requirements of about 180,000 tons for the central European area. It had been taken into account in this connection that Italy and France were also to have buna factories, and one was to license the buna process to these two countries and to give them technical help. This plan was realized with reference to Italy; for France this was not put through. The demands of the government offices for further quantities of buna could be fulfilled only by the construction of a third buna plant of about 60,000 tons or by two buna plants of about 30,000 tons each.

In the year 1940 a very suitable site was found about 30 km south of Breslau on the eastern bank of the Oder in the vicinity of the town of

(page 21 of original cont'd.)

Kattwitz, but there also the production costs would not have been better than in Fuerstenberg, since all of the coal and coke had to be transported on the uncertain Oder. The idea of DR. AMBROS was that if the plant had, under all circumstances, to be built in the eastern part of Germany, then there remained only the one possibility of going into the upper Silesian coal region. Investigations with regard to the possibility of really getting the necessary coal

(page 22 of original)

were made first of all by the Mining Office in Halle. DR. SCHAEFF reported concerning these inquiries, which had turned out very unfavorably, in the Technical Committee. Because of the new construction of industrial plants planned in the Upper Silesian coal region, such a strong demand for coal had taken place that coal was no longer available. The coal negotiations in Upper Silesia were later on carried on principally by Sparte I (DUBRAWISCH, GOLDBERG) and led to agreements with the firm of Pless (Fuerstengrube). Meanwhile the demands of the government offices for additional quantities of buna became so urgent that the proposal to erect a Buna-Werk III with a capacity of 30,000 tons between the Ludwigshafen and Oppau plants, was accepted, despite the greatest hesitation because of danger of air attacks at that location. The determining factor here was that in Ludwigshafen where all resources of the I.G. and of German technology were available one could build in half the time and at considerably lower costs than in Upper Silesia. In addition the I.G. had discovered and perfected for operation a new interesting buna process (Reppel process), which could be used only in Ludwigshafen, since the group of inventors with all of their scientific and technical resources was located there. This process would presumably have led to the same production costs as the old process used in Schkopau and Fuels. Buna-Werk III in Ludwigshafen was never put into full operation. The first production year 1943 produced, because of a heavy explosion in the plant and numerous air attacks, only a little over 8,000 tons instead of the expected

(page 23 of original)

30,000 tons. In the year 1944 also it was possible to produce barely 13,000 tons.

Meanwhile DR. ECKHART urged the construction of a fourth buna factory. There was selected a large level site east of the city of Auschwitz on the south bank of the Vistula, which was only 19 km distant from the Fuerstengrube, in which the I.G. obtained a 51% participation in the year 1941. The requirements of the Auschwitz buna plant were to be covered by a substantial enlargement of the mine, and the mine was to be connected with the buna plant by means of a suspension railway for the transportation of the coal.

See the attached report "Auschwitz" dated August 1945, with 3 annexes

(signed:) STRUSS

Frankfurt on the Main

9 June 1947



(page 26 of original)

Prepared for Mr. WEISBRODT  
August 1945

# AUSCHWITZ.

In 1940 the necessity arose to erect a third Buna plant. At first Rattwitz, a place somewhat above Breslau on the Oder was taken into consideration. Owing to the urgency of the further extension of the production of Buna for the maintenance of the motorisation of the army, Ludwigshafen was chosen - in spite of the air danger - in place of Rattwitz for the third Buna work, as it was hoped to reduce the time of construction by a whole year, owing to the more favorable conditions prevailing in Western Germany. Since this third work was not sufficient, immediately a 4th plant was planned at Auschwitz, Rattwitz having been dropped. The highest capacities of synthetic rubber should after completion of the Auschwitz works attain the following figures:

Figures in 1000 annual metric tons.

|                  | Buna S | Buna N |
|------------------|--------|--------|
| 1.) Schkopau     | 70     | -      |
| 2.) Huls         | 45     | -      |
| 3.) Ludwigshafen | 30     | -      |
| 4.) Auschwitz    | 30     | 6      |
| 5.) Leverkusen   | -      | 6      |
|                  | 175    | 12     |

The highest production was arrived at during the first quarter 1944 with 36 000 metric tons, calculated per annum- 144000 metric tons, without Auschwitz coming at any time into operation with its Buna production.

The first work was done at Auschwitz early in spring 1941. The place Auschwitz (Oswiecim) is situated on the upper Vistula, about 80 km east-southeasterly direction of the Heydreck Works and about 40 km distant from the old frontier of the Reich (see sketch). The works territory extends on the southern bank of the Vistula and adjoins, in the east directly the place Auschwitz. The building site had a length of about 8 km and from North to South a breadth of about 2 1/2 km, including the requisite shuntingstation and the big track-harp (Gleisharfe) which enters the works on the south-east side. The Polish place Manowice has been included in the works territory. By the Sola and the Pschemen which join the Vistula shortly before Auschwitz the water conditions are comparatively bearable for such a big plant as Auschwitz. Later a connection with the Oder-Vistula-Channel was planned. Coal should be

(page 27 of original)

supplied by the "Fuersten"-mine, which is situated about 19 km north west and in which the I.G. took a participation of 51%. The "Fuersten"-mine should be enlarged by I.G. by a new winding-shaft and an air-shaft and connected with the new works by a suspension railway. First of all this railway had to be given up owing to lack of iron and hands, the construction was postponed until later. As to the later acquirement of the Janina-mine no records are available in the TGA-uere.



(page 27 of original cont'd.)

The Power supply was to be performed by an own power station in the north-westerly part of the works, viz. in the direction of the mine domain, and furthermore by a power station at Ober-Lasisk, about 30 km west-, north-west of Auschwitz. Also in this power station, which was to be enlarged, a participation would be acquired.

The supply of lime was to be covered from the lime-stone-quarry, situated 30 km north-east, near the place Krossendorf (Krzeszowice). This place is already on the other side of the frontier of the former General-Gouvernement, about 25 km distant from Krakau. Shortly after the planning of the Buna works by the / \* same place an Isooctane-plant (high octane gasoline plant) with a capacity of 100.000 annual metric tons.

/ \* chief group Nr. 2 , the chief group 1 decided to erect at the

The coal received was to be processed in a big low temperature carbonisation and it was hoped to be able to use the coke for the carbide furnace of the Buna plant. The other products of the carbonisation - tar and gases - should be used in other parts of the works. The individual branches of production of the plants and the costs may be seen from annex 2, which contains an estimation prepared end of 1943. All these plants were to be erected by I.G. The share to be financed by military agencies was very low, it is given in annex 3 with 54 mill. RM., of which about 40 millions were received until the end of 1943. Besides the I.G. plants cited in annex 2 and 3 a "Montan" plant was built in the eastern part of the works, close westerly of the former place Monowice, at the expense of the army, to be supervised technically by the I.G. The plant comprised the following fabrications:

- |                               |                      |
|-------------------------------|----------------------|
| 1.) Chlorine and Caustic Soda | ) costs estimated at |
| 2.) Ethylene oxyde            | ) 20 millions RM.    |
| 3.) Glycol and Diglycol,      | )                    |
| 4.) Stabilizers               | ) costs estimated at |
|                               | 10 millions RM.      |

The general expenditures for this Montan plant are contained in the general works expenditures of 262 millions RM. (annex 2), to which the army made a contribution which is contained in the 54 millions (page 28 (annex 3)). The general expenditures are on the average almost on of original the same level as the works expenditures proper so that the Montan-plants may be estimated in total to 50 - 60 millions.

As far as I know of the Montan plant only the chlorine plant was completed, the erection of the stabilizer plant could not be started any more.

The control of the construction of the Auschwitz works was in the hands of Obering. Dr. DUERRFELD of Leuna and Obering. DR. FAUST of Ludwigshafen. DR. DUERRFELD, a man of high qualifications, was later entrusted with the management. DR. EISEL (Hoechst-Ludwigshafen) was responsible for the Buna manufacture, and DR. BRAUS, Leuna-Works, for the high octane gasoline fabrication. The difficulties when building the works were immense, so that the fixed dates had constantly be postponed. A planned nitrogen plant and even the Iso / octane

(page 28 of original cont'd.)

plant had to be entirely postponed. Preference was given, owing to urgent circumstances, to a methanol plant, which reached with two units in spring 1944 a capacity of 70 000 metric tons. In consequence of the following air raids soon this only fabrication at Auschwitz was constantly disturbed and it was planned therefore to re-erect it within the "Gailenberg-Plan" subterraneously near Pirna (Saxony) (Project "Orion"). This undertaking at Pirna did however not surpass the state of planning.

Meanwhile also the carbonisation (Schwelerei) came into operation end of January 1944 and on 31st March 1944 the first carbide furnace of the Duna plant was set going. In spite of this it was not possible up to 24th January 1945 - the day of the entry of the Russians - to set the Duna plant, which was given preference when building into operation, although as from autumn a so-called "pushing command" (Stoss/Kommando) arrived from Ludwigshafen. This command consisted of the manager of the Duna plant at Ludwigshafen, DR. NIEMANN, and a number of trained chemists, operators (Meister) and head workers. In spite of this assistance the troubles were too great owing to local difficulties to obtain suitable operators (Meister) and head workers.

End of 1944 about 29 000 people were working on the building territory.

(signed:) STRUSS

Frankfurt a.M.  
9.6.1947

Annex 1 Sketch of Auschwitz missing.

(page 29 of original)

Annex 2

Total Investments in Auschwitz estimated November 1943.

| <u>Group 1</u>   | <u>Capacity in<br/>1000 annual<br/>metric tons</u> | <u>Investments<br/>in Mill. RM.</u> |     |
|--|--|-------------------------------------|-----|
| Low temperatur carbonisation                                   |  | 23                                  |     |
| Gasification plant.....  |  | 41                                  |     |
| Methanol.....  | 70   | 15                                  |     |
| Isocetane (high octane gasoline) 100                           |  | 36                                  |     |
| Separation of phenols.....                                     |  | 2                                   |     |
| Lubricating oil.....   | 4  | 4                                   |     |
| Nitrogen.....(later 100)                                       |  | 6                                   | 127 |
| <hr/>  |  |                                     |     |
| <u>Group 2</u>   |  |                                     |     |
| Synthetic rubber.....  | 36   |                                     |     |
| Lime, Carbide.....   |  | 32                                  |     |
| Acetylene, Aldehyde, Ethylene                                  |  | 13                                  |     |
| Aldol, Butylene glycol, Butadiene                              |  | 31                                  |     |
| Ethylbenzene, Styrene .....                                    |  | 8                                   |     |
| Acrylonitrile .....  |  | 4                                   |     |
| Puna S.....  | 30   | 19                                  |     |
| Puna N .....   | 6  | 4                                   | 111 |
| <hr/>  |  |                                     |     |
| Visol (Vinylacether).....                                      |  | 4                                   | 4   |
| <hr/>  |  |                                     |     |
| Acquisition of estate.....                                     |  | 10                                  |     |
| Roads and sewers.....  |  | 32                                  |     |
| Interworks traffic, workshop,<br>laboratories and offices..... |  | 47                                  |     |
| Facilities for water, steam,<br>power etc.....                 |  | 142                                 |     |
| Welfare.....   |  | 31                                  | 362 |
| <hr/>  |  |                                     |     |
| T o t a l : .....  |  |                                     | 504 |
| <hr/>  |  |                                     |     |
| Limestone quarry Kressendorf.....                              |  |                                     | 4   |
| Participations in housing companies etc. ....                  |  |                                     | 3   |
| Accessory cost .....   |  |                                     | 26  |

Frankfurt a.M.  
August 25 th, 1945

(page 30 of original)

AUSCHWITZ

Annex 3

Expenditure in Millions RM.  
Last figures February 28th. 1945.

|  | Expenditure for<br>new construction<br>and installation | Accessory<br>cost       | Total |
|--|---|-------------------------|-------|
| 1941.....                                      | 9   | 7                       | 16    |
| 1942.....                                      | 61  | 31                      | 95    |
| 1943.....                                      | 126   | 54                      | 180   |
| 1944.....                                      | 123   | 110                     | 233   |
| (Dec. estimated)                               |   |                         |       |
|  | 322   | 202                     | 524   |
| Rest of the estimated<br>total expenditure.... | 202   | 50                      | 252   |
|  | 524   | 252                     | 776   |
| Financed by military<br>agencies till 1944     |   | Isocetane plant         | 30    |
| Depreciation till the end 1944 .....           |   |                         | 266   |
| <u>Plant of the Montan G.m.b.H.</u>            |   | <u>Total investment</u> |       |
| Stabilizer and Dyclycol.....                   |   |                         | 20    |
| from the Montan G.m.b.H. should be paid.....   |   |                         | 16    |

Frankfurt a.M.  
August 31st, 1945.

60



TRANSLATION OF DOCUMENT No. NI - 7241  
CONTINUED.

CERTIFICATE OF TRANSLATION.

7 August 1947.

I, Herbert RODECK, Civ., B 397 499 , hereby certify, that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of the document No. NI - 7241 .

Herbert RODECK  
Civ., B 397 499

- 21 -

"END"

61

AFFIDAVIT .

I, Paul Heinrich DENCKER, living in Kronberg im Taunus, Grosse Strasse 16, Titular Director of I.G. Frankfurt/M. since 1927, and principal manager of the Central Bookkeeping Department since 1931, after having been warned that I will be liable to punishment for making false statements, herewith declare the following of my own free will and without coercion:

The following financial agreements were concluded with various Reich Offices concerning construction and operation of the four buna factories belonging to the I.G.-Konzern:

1. Schkopau ( Buna I ). To expand the 200 tons-per-month plant in Schkopau to a production of 24,000-30,000 tons buna per year, I.G. and the Reich Ministry of Economics entered into an agreement which contained a guaranty of market and price, as well as a promise of a Reich credit. To my knowledge, the Reich Ministry of Economics obtained the wherewithal for the credit by a tax of RM 1.- on each kg of imported rubber for a certain time.

The credit was set at RM 90 Million and 5% interest was to be paid on it from the moment it was used. It was to be repaid in ten equal yearly instalments of RM 9 Million each, beginning on a certain date after full production had been achieved. When the buna factory was expanded at the request of the Reich, the Reich Ministry of Economics agreed that repayment of credit be started two years later in order to ease the financing.

The market and price guaranty was revoked when the plans for construction of a second buna factory were put into practice and the whole contract was accordingly changed into a loan agreement pure and simple. That came about as a result of I.G.'s fear that the buna factories still to be built would be handicapped if already existing buna plants were covered by a price and market guaranty. It was to be expected

( signature ) Paul Dencker

( page 2 of original )

in case of a market reduction, that the Reich, in view of its risk at Schkopau, would impose equal restrictions of production in all buna factories and would insist that Schkopau continue full production, while the buna factories operated at private risk restrict their production more than proportionately.

To a certain extent, the Reich Ministry of Finance granted I.G. tax privileges for the Schkopau Buna factory for a limited time. I remember that an exemption from property taxes was decreed for that part of the plants which worked in the processing of acetaldehyde to buna. I do not know any more to what extent

( page 2 of original, cont'd )

an exemption from turn-over taxes was granted or which other tax privileges were accorded.

At first the sales price of buna was fixed at RM 4.- per kg., later at RM 3.- per kg and after a further lowering of the cost price, at RM 2,30 per kg. Since, according to the price law, this price was supposed to obtain at a time when the sales price of buna was still RM 3.- per kg, the difference of RM 0.75 per kg buna for the period concerned was turned over, on orders of the Reich Ministry of Economics, to Special Group Rubber Industry, which used this amount in accordance with instructions by the Reich Ministry of Economics. If I remember correctly, the amount approximated RM 6 Million.

The additional profit obtained in Schkopau for the duration of the market and price guaranty was turned over to the Reich Ministry of Economics. As I remember it, the amount approximated RM 2,4 Million.

According to price agreements with the Reich Ministry of Economics and the Price Commissioner, research costs were permitted to be included in the price of buna from 1 July 1937 on by a tax on buna production. It was specifically emphasized that no compensation would be granted for research costs incurred before the above date. This provision continued to be valid after the revocation of the market and price guaranty, whereas the originally

( signature ) Paul Dencker

( page 3 of original )

agreed restriction that not more than RM 3 Million per year be included in the sales price of buna for experimental and development costs was dropped as from the date mentioned above. For the rest, it was agreed at the revocation of the buna contract that concerning the price level, generally speaking, all buna factories should cover the cost-price, including the interest of 5% on their own capital and the taxes resulting therefrom. Moreover, as a financial incentive to increased production a part of the additional profit gained by the buna factories was to be left to them. The remaining profit was to be used to cover the cost of opening other buna factories until such time, when the average cost-price of all buna factories permitted a general lowering of the sales price.

When fixing the price level these principles were observed, apart from the right to a production premium, of which no use was made.

The first plants of the Schkopau buna factory were built on sites which were acquired by Ammiakwerk Merseburg G.m.b.H. in view of their proximity to the Leuna-Werke. When later agreements concerning the Reich market and price guaranty, as well as the prerequisites for granting of tax privileges to central prices necessitated the bringing of the buna factory into a special company, the Buna-Werke G.m.b.H. was created and its shares taken over by Ammiakwerk Merseburg G.m.b.H.

( page 3 of original, cont'd )

2. Huels ( Buna II ). For construction of the Huels plant with a planned production of 24,000 tons buna per year the Reich Ministry of Economics granted a credit of RM 81,250,000 on conditions similar to those agreed on for Schkopau. Huels is a factory which was built by I.G. with financial participation of Hibernia I.G., a mining company owned by the Prussian State. This was the reason for bringing it into the legal form of a special company, Chemische Werke Huels G.m.b.H., 74% of whose shares were taken over by I.G.

( signature ) Paul Doncker

( page 4 of original )

With partial support of the Reich, the company obtained further credits for the development of its plant; to my knowledge, however, these credits were not for the buna plants.

Up to the end of 1942, Huels had not yet succeeded in covering fully its costs, including the interest allowed on its own capital and the tax on it, from the sale of buna. To meet these losses, additional proceeds which Schkopau had to surrender were transferred to Huels. For 1943, Huels expected to cover its costs, including the interest on its own capital and the tax on it, from the proceeds of its own buna sales, on condition that the Reich would compensate it for the damage on equipment caused by an air raid. On the basis of this expectation, Huels transferred to I.G. for the year 1943 a contribution in proceeds of RM 0.15 for each kilo of buna. This amounted to about RM 4.5 Million.

Since the claim for compensation of damage was rejected, Huels closed the year 1943 with a loss, without being able to reclaim the contribution on proceeds. In 1944, Huels' balance sheet again showed a loss, so that it could not pay contribution in proceeds for that year. On the other hand, Huels received no contribution on proceeds for that year. The sum which Huels received from Schkopau as contribution on proceeds amounted to a total of RM 30 Million, if memory serves me. Huels was also granted tax privileges by the Reich Ministry of Finance for the starting period. As I remember it, these privileges were extended to an exemption from property tax for plants using the electric arc method. I do not remember whether other tax privileges were granted and if so, what these were.

3. Ludwigshafen ( Buna III ). Before the plan to build a buna factory in the Ludwigshafen I.G. Works was put into effect, preliminary work was started on the construction of a buna factory at Rattwitz, south of Breslau, which required about RM 4 Million. This building:

( signature ) Paul Doncker



( page 5 of original )

case if a  
completely  
new  
factory  
were to be  
built. The  
prelimi-  
nary

project was dropped in favor of the planning in Ludwigshafen, because it could be assumed that the increased production of buna requested by the Reich could not only be achieved more quickly, but also more cheaply in Ludwigshafen than would be the costs of the plant in Breslau were covered by the additional proceeds of the other buna factories. Similarly, until the end of 1934, the extra costs of the buna factory in Ludwigshafen, as well as a part of its own costs, which exceeded its sales proceeds, were covered by additional proceeds from Schkopau.

No use was made of any tax reductions for the Ludwigshafen buna factory, apart, possibly, from additional depreciations for plants of the Four Year Plan.

\*) buna

4. Auschwitz ( Buna IV ) During the negotiations with the Reich Offices concerning the erection of a buna factory in Auschwitz, the I.G. representatives pointed out that considerable extra expense would be incurred, owing to war conditions and the location. If I remember correctly, these extra costs were estimated at about RM 60 Million at the time. Since both the Reich and the I.G. disliked the prospect of having, because of these extra costs, to deal for years with varying price levels for deliveries of buna, according to where it was produced, I.G. was permitted to cover the extra costs by additional proceeds from other factories and accordingly to postpone the reduction of the buna price to be effected, under the price law. In 1943, about RM 17 Million were at the disposal of I.G. as first credit from additional proceeds of other buna factories. In accordance with the instructions of the Central Bookkeeping Department, this sum was entered in the books of the Auschwitz plant for the premature amortization of extra plant costs. The Auschwitz buna factory was built as an I.G. plant. I.G. did not claim special tax privileges for it. However, I.G. claimed for all Auschwitz plants the tax allowances which were provided for by the Eastern Tax-Aid Decree ( Oststeuerhilfsverordnung ). These aids were special depreciations which were entered as value adjustments in the books of

( signature ) Paul Dencker

( page 6 of original )

the Auschwitz plant and which amounted to 20% of procurement or manufacturing costs for installations, as well as 10% of the remaining plants. These special depreciations were added to the normal depreciations of installations, which amounted to 2% for quarters, 3% for general factory buildings and 5% for factory buildings for production purposes, and they replaced the normal depreciations of 10% for machines and appliances.

For bookkeeping purposes, the special depreciations were not account for under the Eastern Tax-Aid Decree; only normal depreciations with

( page 6 of original, cont'd )

possible additional depreciations for plants of the Four Year Plan were reckoned. Credits for Auschwitz granted by Reich Offices did not apply to the buna factory.

I have carefully read each of the 6 ( six ) pages of this affidavit and signed them with my own hand. I have made the necessary corrections in my own handwriting and have initialled them. I herewith declare under oath that I have stated the full truth to the best of my knowledge and belief.

( signature ) Paul Heinrich Dencker  
Paul Heinrich DENCKER

Sworn to and signed before me this 9th day of August 1947 at the Palace of Justice, Nuernberg, Germany, by Paul Heinrich DENCKER, known to me to be the person making the above affidavit.

( signature ) Otto Heilbrunn  
Dr. Otto HEILBRUNN  
ETC 30146  
Office of Chief of Counsel  
for War Crimes  
US War Department

-----  
CERTIFICATE OF TRANSLATION

26 August 1947

I, Samuel S. HORN, AGC 443113, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of the document No. NI- 9479.

Samuel S. HORN  
AGC 443113

TRANSLATION OF DOCUMENT No. NI-7625  
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES

I.G. Farbenindustrie Aktiengesellschaft, Frankfurt (Main) 20

Department Office of the Technical Committee

Date  
17 June 1936

To be sent to Ministerialrat Buhl.

We request you kindly to  
note the contents - examine - express your opinion - make  
a decision on the matter - take further action - return the  
document.

9046921  
II - 21530 - 100 1 373

(page 1 of original)

Copy

Ministerpraesident Generaloberst Goering  
Raw Materials and Foreign Currency Staff

Berlin, 16 June 1936  
Behrenstrasse 68 - 70  
Telephone: A 2 0048

Journal No. 1341 secret/36/III

Confidential!

Stamp:  
Sekretariat /illegible/  
Ministerialrat (remainder)  
Received: 18 June 36

To I.G. Farbenindustrie A.G., Office of the Technical Committee  
Frankfurt on Main  
Gruenburgerplatz

Subject: Synthetic Rubber. Extension of Project Schkopau to a  
production capacity of 1,000 tons per month.

With reference to the conference of your Dr. ter Meer and Dr. Struss  
with my staff, I confirm the following:

It is deemed necessary in the interests of ensuring the German rubber  
supply to carry out immediately, to a capacity of 1,000 tons\*the enlarge-  
ment of the Schkopau works, previously commenced for a monthly production  
of 200 tons.

/# per month/

All authorities concerned agree that the "Buna"-process upon which the  
Schkopau plant is based, is the process so far considered as the large-  
scale production process in Germany. Although improvements, such as the  
change from the four-stage process to a two-stage process, are to be  
expected in the course of development, these possibilities cannot  
be considered at the moment as grounds for delaying an extension to

TRANSLATION OF DOCUMENT No. NI-7625  
CONTINUED

1,000 tons per month, in view of the urgency of the supply situation.

Furthermore, it is agreed that such progress has been made in the development of the processing of synthetic rubber, that the practical difficulties which oppose the introduction of the 1,000 tons per month production level for the synthetic product, are undoubtedly considered surmountable. Suitable measures will

(page 2 of original)

have to be suggested or carried out by the authorities concerned, in the course of the work.

Furthermore, it is clear that certain guarantees will be given by the Reich for the sale or the price of the synthetic rubber and for the depreciation of the plants.

I ask you to express your view on the project of the immediate enlargement of Schkopau to a production capacity of 1,000 tons per month and request that the planning work be carried out with the greatest possible speed.

Furthermore I should like to ask you to examine the possibilities of financing the plant through the I.G. Farbenindustrie.

I await your opinion with anticipation and in about 14 days, I shall again invite you to participate in a final meeting.

By order:

one signature

Oberstleutnant des Generalstabes  
(Lieutenant Colonel of the General Staff)

Dr. R./W.

CERTIFICATE OF TRANSLATION

21 August 1947

I, BERYL C. BESHICK, No. D 427459, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of the document No. NI-7625.

BERYL C. BESHICK, No. D 427459.



TRANSLATION OF DOCUMENT No. NI-882  
OFFICE OF CHIEF OF COUNSEL FOR WAR  
CRIMES

(transl.note) handwritten  
notation:  
Contract with the Reich  
Buna I, Directives  
(initial: AJ)

2

1. Buna Schkopau

Report in Work Committee on 16 September 1937

2. Buna - Contract with the Reich  
20 September 1937

(transl.note)  
(handwritten notation) Loan agreement, March 1940  
(draft)

3. Directives

6. Flow chart of production material Schkopau

( Page 1 of the original )

3 AJ

Report-Work Committee of 16 September 1937

Buna-Werke G.m.b.H./ Contract with the Reich.

Meeting of 16 Sept. 37

Beginning with 1933 the work on synthetic caoutchouc which had been curtailed for several years was resumed again on a larger scale. In that respect the Armed Forces assisted us in that they exerted energetic pressure on the factories which use rubber, especially on the tire industry. This pressure was necessary inasmuch as rubber factories showed little inclination to use a material the cost of which exceeded several times that of the natural caoutchouc, a material which caused difficulty in processing and which, in part, required new working methods and machines. At a later time the Armed Forces still further extended their aid in that they placed orders for synthetic tires at their own cost and launched large scale driving tests with same, beginning with the middle of 1935. I cannot enlarge at this time on the great progress which has meantime been made in the production of synthetic rubber as well as in processing same; I merely wish to mention that notwithstanding this advancement - same as in all technical processes - considerable difficulties will still have to be overcome during the next years also.

The planning of a new factory for a capacity of 1000 Mto (monthly tonnage) was suggested to us for the first time in the fall of 1934 by Herr Keppler who was at that time commissioned by the Fuehrer and Reich Chancellor. We declined that capacity at the time but we agreed to erect a large-scale plant for a capacity of 200 Mto (monthly tonnage). The complete planning and management was assigned to Dr. Ambros. Piesteritz was at first contemplated for location, finally Schkopau was selected. The laying of the foundation stone took place on 24 April 1936; the plant was taken into complete operation as planned, in February/March of this year. The capacity could at once be increased to 300 Mto (monthly tonnage).

( Page 2 of the original )

4 AJ

In the meantime, Herr Keppler did not remain idle in his endeavors to have a large-scale plant ready for 1000 Mto (monthly tonnage) at the earliest possible moment. From the outset we had declared that the plans for the Schkopau plant would provide for future expansion, and we made the expansion subject to certain technical experiments, especially the technically large-scale production of Butadiene by means of a new type of furnace.

In the meantime, the Raw Materials and Foreign Exchange Staff (Rohstoff- und Devisenstab) came into effect, about the

middle of 1936, as a precursor of the German Raw Materials and "Ersatz" Materials Office, and in its turn it established as task the project of 1000 Moto and of a second Buna Works of equal capacity. For negotiations we were at that time as yet referred to Herr Keppler. Inasmuch as according to prevailing conditions it was necessary to comply at an early date with the request for a second plant of 1000 tons monthly capacity, we made the counter proposal to expand Schkopau to handle 2000 Moto, instead of 1000 Moto, a proposition which finally was also accepted by all parties. The first stages of negotiations on the 2000 Moto project which now is under construction were still carried on with Herr Keppler; as of October 1936 the German Raw Materials and "Ersatz" Materials Office took his place.

Inasmuch as this large-scale project of 2000 Moto; including the necessary power and auxiliary installations, called for a capital outlay of 200 millions in round figures and as it was not possible to carry through without friction the sale of such a large quantity of synthetic caoutchouc without fullest cooperation of the Reich it was necessary to conclude an agreement with the Reich on the contents of which I wish to report briefly to you here. Negotiations on the agreement proper took about 1-1/2 years; they were carried on by Dr. ter Meer and Dr. Buhl and

( Page 3 of the original )

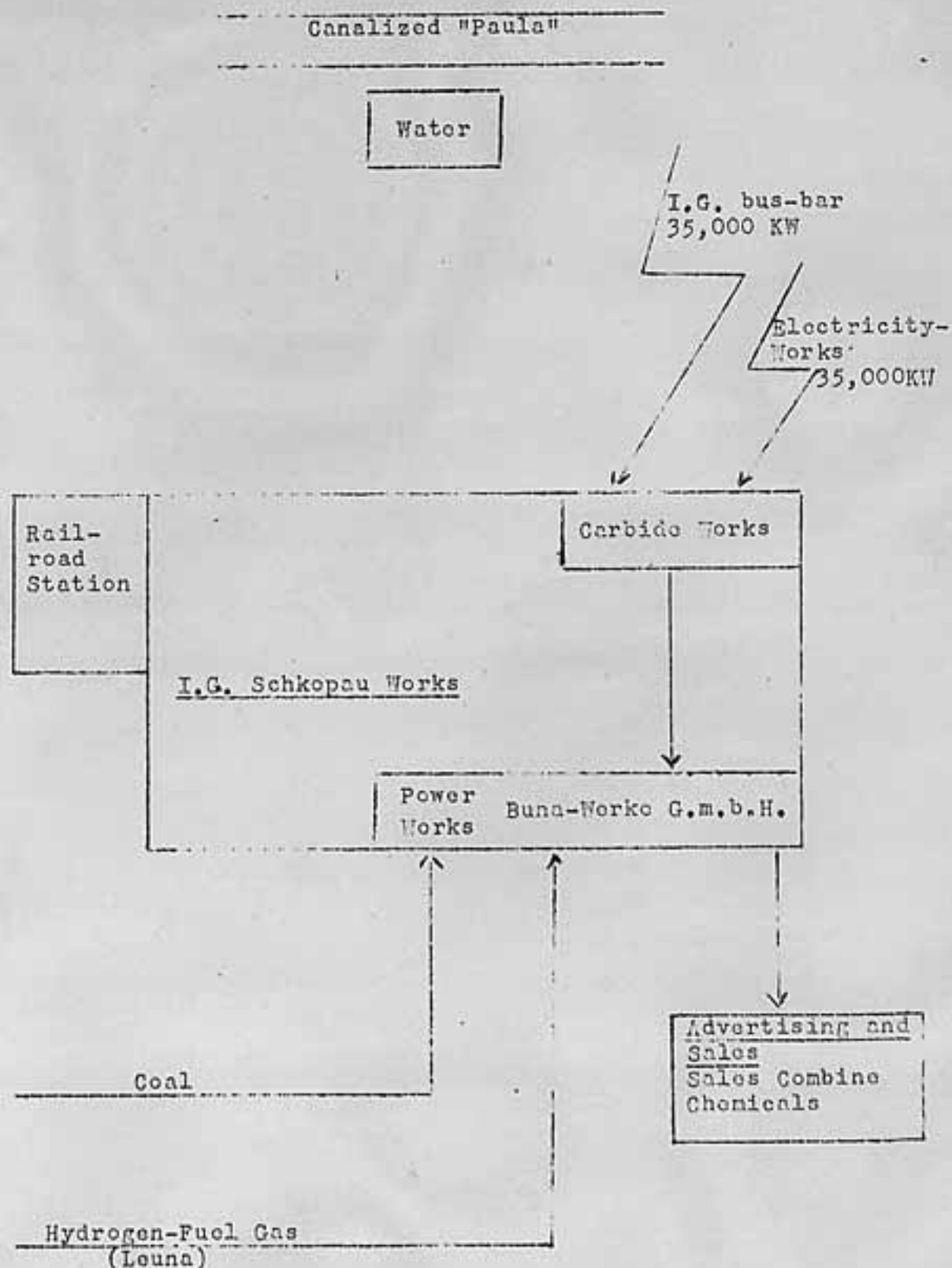
5 AJ

with the exception of a few formalities, they have now been concluded. The final contract had already been signed by the three participating offices of the Reich - the Office for German Raw Materials and "Ersatz" Materials; the Reich Ministry of Economy and the Reich Finance Ministry - but it contained a clause relative to sales which we could not accept. Probably however, this was largely a mere misunderstanding which in the meantime was clarified so that the final signing of the agreement by both parties is now imminent. (Transl.note)(handwritten notation): The contract was meantime signed by the Reich on 16 August 1937; on the part of I.G. on 29 September 1937.

The Buna-Werke G.m.b.H. which was founded on 15 Februar 1937 with an original capital of 30 million is in the framework of I.G. the body acting as the Buna-plant. We pledge ourselves to increase the present production at Schkopau of 200 Moto which is being incorporated in the contract to at least 2000 Moto. We are in complete charge of the construction office of the plant; we make our licenses, patents, and experiences available and, in return, the exclusive management of the Buna Works will later be in our hands. On the Schkopau grounds we also erect I.G. establishments of which the first one, the phthalic acid plant, was put into operation a short time ago. The manufacturing conditions which the Buna Works will provide are most effectively described for you in the diagram displayed here (Diagram 1).

In view of this close amalgamation of a large Buna plant with an I.G. plant the "economy combine" (Verbundwirtschaft) as we have termed it constitutes an important part of the contract. Buna Works and I.G. utilize in unison the general installations of the entire Schkopau Works, the railroad, the water works, th

power plant, etc. The output was mutually made available at cost price. However, this economy combine is also being extended to cover chemical products; as an example, it will be possible for I.G. to obtain from the carbide factory of the Buna Works acetylene which is in excess





( Page 4 of the original )

7 AJ

at cost price, for the production of synthetic materials. The I.G. also handles - through its sales organization Chemicals - the sale of Buna and the customers' advisory service. It is being planned, however, to link at a later date the trade resulting from the import of caoutchouc with distribution.

The contributions made by the Reich consist, in the first place, of a loan of 90 million mark which is to be repaid in ten yearly installments, i.e. during the duration of the contract (interest rate 5%).

Additional funds needed for financing - which under inclusion of a working capital of 20 million in round figures will probably amount to about 110 million - will be furnished by I.G. out of its own means. Expenditures will be distributed over the years of 1937, 1938, and 1939.

An additional contribution of the Reich is a market guarantee which derives considerable benefit from the duty levied on natural caoutchouc, introduced on 13 May of this year, and which at this time amounts to Mk. 1.25 per kilogram. Finally, we are given a price guarantee which for the ten years of the contract assures our cost price including certain additional charges.

Special directives have been prepared for the establishment of the cost of production, and for the calculation of the proceeds, which follow closely the benzine contract which the Louisa Works have concluded with the Reich. I must confine myself to mentioning but briefly the most important points of the directives. Amortization will be handled in the same manner as with the I.G. so that after expiration of the contract the apparatus and similar things will probably be fully written off while half of the charges for buildings will still remain on the books. We should further take into consideration that in the course of the 10 years, in the case of alterations or

( Page 5 of the original )

8 AJ

improvements in the process, new investments may become necessary which in terms of figures and going by experiences with other large objectives can hardly be overestimated with 30 to 40 million mark. From these new investments made at a later date it is likely that at the expiration of the contract appreciable amounts will still remain on the books.

On the economy combine within the Schkopau Works I have already reported; special agreements have been made with the I.G. and its organizations, and vice versa, on the exchange of products. Rough brown coal is being supplied by I.G. at a fixed price which is between Mk. 2.- and Mk. 2.10 per ton (free at the point of loading, ex mines). The 40,000 kW (kilowatts) which we supply from the bus bar are being charged at the fixed rate of 1.28 Pfennigs per kilo watt hour, free at the point of the current connecting switch (Eingang Schaltstello). The initial raw

materials, lime and coke, are covered by separate contracts; the lime is coming from the Harz mountains, the coke is being brought in from Upper Silesia.

For computation of the cost price the directives are followed which form part of the contract and which approximately are the same as those of I.G.; they include a 5% payment of interest on the entire capital invested. To this is added first, an allowance of 6 Pfg. per kg of Buna (1,44 mill. mark) (transl. note) (handwritten notations with 30,000 sets 1,80 million) for making our processes and experiences available; for current patent expenses, and other general expenses; secondly, an additional payment of 12,5 Pfennigs (3 mill. mark), to cover the cost of experiments and developments. An economy premium is also provided by reason of which we are being assured a 10% reduction in the Buna price through improvement of the process, etc. A reduction of the cost price by 0.50 mark would then yield 5 Pfennigs to us (1,2 mill. mark annually). Not more than 2% of the customers bill can be set down to cover sales and technical advisory service, i.e. 6 Pfennigs as a maximum on a price of 3 mark.

( Page 6 of the original )

9 AJ

It should be particularly mentioned that this contract merely covers Buna S and "Zahlenbuna" and it is planned for the production of Buna S -the emulsion mix polymerizate of butadiene and styrene- to predominate. The sodium polymerizate (Zahlenbuna), on the other hand, is more and more relegated to the background. Of great importance is the fact that we have succeeded in eliminating from the contract our special product, the swelling- and oil resistant Buna N which recently has been termed "Parbunan". This product will continue to be produced in Leverkusen and will be sold to the private industry exclusively. Within a not too distant time the production will be expanded from the present rate of 40 tons to 100 tons of monthly production.

The contract with the Reich provided tax exemption, in part, for five years. The tax exemption applies to:

- 1.) Corporation tax,
- 2.) Turn-over tax,
- 3.) Property tax.

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( Page 1 of the original )

11 AJ

C o p y  
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The Reich Minister of Economy  
IV Fin. 3 / 6108 / 40

Berlin W8, 12 July 1940  
43 Behrenstrasse

To

I.G. Farbenindustrie Aktiengesellschaft  
Attention of Dr. Buhl; Ministerial Councillor (retired)  
Frankfort on the Main, 20

Grüneburgplatz

(stamp) Ten Office  
Section 1  
rec'd: 14 Aug. 1940

Reference: to letter of 21 June 1940  
-secretariate Ministerial Councillor Dr. Buhl-

Subject: Amendment of Buna Contract Schkopau.

Gentlemen:

Referring to my letter of the 12th instant, -IV Fin. 3/5505/40- I confirm that in order to save expenses and to the extent that the rights of the Reich are not affected, not only the entry into the register of property, provided for under paragraph 4, sections 1 and 2 of the contract draft, will be dispensed with but also the entry of the collateral mortgage itself. In the case of paragraph 4, section 2 of the contract draft it is agreed that should the Reich make use of its right relative to the entry of a collateral mortgage, or of a re-registration, the I.G. Farbenindustrie has an equal right to make an owner's entry for a mortgage on land for the same amount, i.e. to have the appropriate registration made. Furthermore, it is agreeable to me that in paragraph 2, section 2 of the contract draft "67 million in round figures" is inserted in the place of "67 million".

By Order!  
(sig.) Dr. Soltau

Certified:  
(sig.) Wimmer  
Government Inspector  
(Regierungsinspektor)

LS

12 AJ

Contract  
between

the German Reich, represented by the Reich Minister of Economy  
and the Reich Minister of Finance (in the following termed "Reich")

on the one hand

and

the I.G. Farbenindustrie Aktiengesellschaft, Frankfort on the Main  
(in the following termed "I.G.")



and

the Buna-Werke G.m.b.H., Merseburg, (in the following termed "Buna Works"),

on the other hand,

Preamble.

Within the framework of the economy expansion and in compliance with a request of the Reich the I.G. has erected a mammoth plant for the production of synthetic caoutchouc (Buna, the trade mark registered for I.G.) in Schkopau, with a capacity of 30,000 tons per year, (Jato) and has appointed the Buna-Werke G.m.b.H. in Merseburg which was created for this purpose as the organization which will carry on this establishment.

In the meantime, a contract has been concluded between the Reich and the I.G. under date of 16 August/20 September 1937 covering the erection, the operation, and the financing of this Buna plant, in which contract the Buna Works joined for the portion which has bearing on them. According to this contract the Reich has made available to the Buna Works a loan of 90 million Reichsmark for the Buna establishment - for which the required capital including the necessary subsidiaries (general I.G. plants in Schkopau; enlargement of I.G. power works outside of Schkopau) and including the working capital was estimated at 90 million reichsmark - while I.G. covered the remaining financial needs. In addition, the Reich has given guarantees for the sale and price of the Buna.

( Page 2 of the original )

13 LJ

Upon the request of the Reich the capacity of the Schkopau Buna plant is to be increased to the double capacity of 60,000 tons per year (Jato). In view of the fact that since conclusion of the above mentioned contract the cost of production, the conditions relative to price and market outlet have developed more favorably than anticipated in this contract, the concluding parties have decided that, effective as of January 1, 1940, the following loan agreement between the Reich on one hand, and the I.G. and the Buna Works on the other hand, will be substituted for the said contract in its full scope; however, the surplus yield of RM.-70 per kilogram of Buna sold (the difference between the old price of RM 3.- and the new price of RM 2.30) which accrued for the period of January 1, 1940 to 31 March 1940 is to be paid to the Reich.

Assuming the foregoing as a prerequisite the following is agreed upon:

Par. 1. Enlargement and Operation of the Buna Plant.

(1) Extending the building contract concluded with the Buna Works under date of 15 June 1937, the I.G. pledges itself to enlarge its Buna installation at Schkopau with the greatest possible expediency for a capacity of 60,000 tons of Buna per year



in round figures. The I.G. guarantees that the installation will operate to make it possible to reach the capacity just mentioned.

(2) The I.G. has concluded a contract with the Buna Works according to which they will make available all of their present and future patents, processes, experiences and licenses necessary or useful for the production of Buna. By reason of this contract the I.G. has pledged itself towards the Buna Works and herewith extends the pledge likewise towards the Reich that for the duration of the contract it will take the necessary steps through appropriate research work in its laboratories and works to bring about a continued development of the process, as well as to improve processing qualities and processing methods of Buna.

( Page 3 of the original )

14 AJ

(3) For the duration of the loan the I.G. and the Buna Works guarantee an unvarying quality of the product periodically introduced under the trade name, with due consideration for the continued technical development. Minor variations in quality similar to those which also occur in the case of natural caoutchouc are not considered a violation of this pledge on the part of I.G. and the Buna Works.

Par. 2. Raising of the required Capital.

(1) The enlargement of the Buna installation from 30,000 to 40,000 annual tonnage at the cost of 40 million Reichsmark in round figures is taken care of by I.G., out of its own means. The cost of an enlargement of the installation for an additional tonnage of 20,000 annually is estimated at 35 million Reichsmark in round figures, including the interest on constructions and the cost of planning and construction management.

(2) The I.G. and the Buna Works pledge themselves to make funds available in the amount of 67 million Reichsmark to finance the cost of the enlargement of the Buna installation from a capacity of 40,000 tons annually to 60,000 tons of Buna annually. Of this amount 50 million Reichsmark will be raised through I.G., increasing the original capital of the Buna Werke G.m.b.H. from 50 million Reichsmark to 100 million Reichsmark, except in the case that the Buna Works and the I.G. should merge.

(3) The balance of 18 million Reichsmark will be made available by the Reich as provided in paragraph 3.

Par. 3. Granting of a Loan.

The Reich which - as mentioned in the preamble - has already accorded to the Buna Works a loan of 90 million Reichsmark on the basis of the contract dated 16 August/20 September 1937 leaves this loan with the Buna Works also after substitution of the contract referred to. The sum of 18 million Reichsmark referred to in par. 2, section 3 is raised by a method according to which the initial redemption installments of 9 million Reichsmark each which according to the contract of 16 August/20 September

1937 become due on 30 June 1940 and 30 June 1941, respectively are not being paid.

( Page 4 of the original )

15 NJ

The following terms will apply for payment of interest and for the redemption of the loan of 90 million Reichsmark:

(1) The loan is subject to a yearly interest payment of 5%; the interest is due on the last day of a six-month calendar period.

(2) The amortization of the loan is effected in ten equal yearly installments of 9 million Reichsmark each. The first installment is due on 30 June 1942, and the last installment on 30 June 1951. It is a prerequisite in this respect that the entire plant will be put into operation by the middle of 1941, for a capacity of 60,000 tons of Buna annually. If, for reasons for which the I.G. and / or the Buna Works do not have to answer the putting into operation of the entire plant should experience a delay beyond 1 July 1941, the above mentioned due dates for repayment of the loan will be shifted accordingly. Complete or partial repayment of the loan prior to the due date is within the option of the Buna Works; subject to notification of the Reich one month in advance and, possibly, for computation against the amortization rates which subsequently fall due for the Buna Works.

(3) Should -contrary to expectations- the case arise that by reason of measures taken by the Reich the profitable production of Buna cannot be continued at Schkopau, the Buna Works will have the right to demand of the Reich that with respect to the repayment of the balance of the loan not as yet redeemed a new agreement be made which will equitably take into account this situation.

#### Par. 4. Security.

(1) The Reich has at all times the right to demand of the Buna Works as a safeguard for the claims arising for the Reich by reason of the loan that a security lien in an amount up to 90 million Reichsmark be recorded as a first mortgage on the Buna Works property. In case the Reich makes use of this right, the I.G. is

( Page 5 of the original )

16 NJ

entitled to demand the recording of a security lien in an amount up to 90 million Reichsmark of equal security level with the Reich, as a means of safeguarding its claims arising from loans granted or to be granted. The right of the Reich to have a security lien recorded can be effected - if the Reich so desires- through entry of a clause; if such a clause is recorded, the right of I.G. to have a security lien recorded must also be safeguarded through an appropriate clause. The expense of such recordings will be borne by the Buna Works.

(2) A merger between the Buna Works and the I.G. will not affect the Reich's right as regards the recording of a security lien, or the entry of a clause to that effect.

Par. 5. Auditing Right.

The Reich Ministry of Economy and the Court of Accounts (Rechnungshof) of the German Reich have the right to proceed at any time to an examination of the accounts and operations of the Buna Works through own organs of their own or through special experts who cannot be considered competitors in the Buna field in order to determine whether the loan is being used according to contract provisions, and whether there can be a question of endangering the rights of the Reich or whether the prerequisites for such condition exist or have existed.

Par. 6. Modifications in the Participation and Credit Structure.  
of the Buna Werke G.m.b.H.

The I.G. guarantees that for the duration of the loan no shares of the Buna Works can be disposed of, entirely or in part, except with the consent of the Reich. Amendment of articles of the corporation liable to affect its suitability as the functioning body of the enterprise and of the contract partner - especially a change in the purpose of the undertaking or a reduction in the company's capital, as well as essential changes in its credit structure -

( Page 6 of the original )

17 NJ

as regards credits other than I.G. credits - can be made only with the consent of the Reich; in that connection the assumption will be that credits of I.G. to the Buna Werke cannot be given at an interest rate higher than 5%.

Par. 7. No Subsidy Establishment.

By reason of the loan the companies do not become subsidized establishments according to the meaning of the fourth section of Chapter V of the Reich President's Decree for the Pruning of Economy, of 4 September 1932 (Reich Law Gazette (Reichsgesetzblatt) volume I, page 423).

Par. 8. Court Competency and Expenses.

(1) For litigations arising in regard to the existence, the execution or the interpretation of the Contract, and irrespective of other agreements relative to Court of Arbitration proceedings, the competent court is the District Court Berlin.

(2) Expenses arising by reason of this Contract for document fees, examinations, and the like, will be borne by the Buna Works.



Berlin, 8 July 1940

The Reich Minister of Economics  
(Reichswirtschaftsminister)

for: (sig.) signature

Frankfort on the Main,  
21 June 1940

I.G. Farbenindustrie  
Aktiengesellschaft

(sig) ter Meer (sig.) Buhl

Berlin, 25 July 1940

The Reich Finance Minister

(sig.) Krosigk

Frankfort on the Main,  
21 June 1940

BUNA-WERKE G.m.b.H.

(sig.) Ambros (sig.) Doncker

18 AJ

C o n t r a c t

between

The German Reich (in the following termed "Reich"), represented by Minister President General Goering, Commissioner for the Four Year Plan, the Reich and Prussian Minister of Economy, and the Reich Finance Minister

on the one hand

and

the I.G. Farbenindustrie Aktiengesellschaft Frankfort on the Main (termed "I.G.")

on the other hand

(transl.'s note) handwritten  
notation: invalid

P r e a m b l e.

The I.G. owns processes for the production of synthetic caoutchouc (Buna, the trademark registered for I.G.). The Reich desires the exploitation of these processes within the framework of the Four Year Plan through the erection of a mammoth plant with a capacity of 2,000 tons of Buna per month as a minimum. The establishment created for that purpose serves the nation as an entirety. This principle is the prerequisite for this contract and the basis for its formulation, fulfillment and interpretation. The principles of paragraph 1 of the tax adjustment law (Steueranpassungsgesetz) of 16 October 1934 (Reich law gazette, vol. I, page 925) find appropriate application.

The site for the Buna plant are the grounds of the works



near Schkopau newly opened up and heretofore owned by the Ammoniakwerk Harsburg G.m.b.H.

The Buna-Werke G.m.b.H. were created within the frame of the I.G. Konzern as the organization functioning as the Buna establishment, with an original capital of 30 million Reichsmark. As site needed for the Buna installation the Buna-Werke G.m.b.H. have acquired the grounds situated near Schkopau which heretofore were registered in the name of

Transl.'s note: on photostatic copy of this document the text of the preceding two paragraphs, beginning with "Preamble" and as far as line 5 of second paragraph "in the name of" is struck out.

( Page 2 of the original )

19 13

Ammoniakwerk Harsburg G.m.b.H. at the same price (including expenses incidental to the property acquisition and including property purchase tax) at which these territories had been acquired by the Ammoniakwerke. The installation which existed on the site for the production of 200 tons of Buna per month was included in the purchase by Buna Werke G.m.b.H. at the cost accrued for opening up the territory and the cost of building, in which connection the contributions listed in paragraph 1, section 2 are computed at a rate agreed therein.

With these hypotheses in mind the following contract is being concluded which, unless explicitly otherwise stated in the individual case, encompasses throughout the installation just mentioned for the production of 200 tons of Buna per month, including their manufacture.

#### I. I.G. Commitments.

##### Par. 1

##### Erection of the Buna Factory.

The I.G. pledges itself to make a contract with the Buna Werke G.m.b.H. according to which the installation already completed for the production of 200 tons of Buna, per month, is to be enlarged by the I.G. at the expense of the Buna-Werke G.m.b.H. with the greatest expediency and with the greatest possible economy for a capacity of minimum 2,000 tons of Buna per month; to that effect and to the extent necessary if suitable it places its patents, processes and experiences as well as licenses at the disposal. The installation is being built for the four-step process which starts with acetylene and by way of acetaldehyde, aldol, butylene glycol results in butadiene. The output of the carbide factory will amount to approximately 16,000 tons of carbide per month which are required for a minimum of 2,000 tons of Buna per month, and approximately 2,000 tons of alcohol per month. The polymerization of the butadiene will be so controlled that 85% will be produced as trade brand Buna S and 15% as trade brand "Zahlenbuna" (sodium polymerizate)

( Page 3 of the original )

20 NJ

For the preparation of ground-plans and tentative cost estimate, calls for bids and their examination, execution of orders, handling of invoices, action taken in the case of possible deficiency claims, steps to obtain official permissions, as well as for construction management and construction supervision, at the central and local level, as well as for other expenses incidental to the readying and building of the Buna installation the I.G. is paid a compensation of 5% of the cost of building the factory of the Buna Werke G.m.b.H. together with all accessories, exclusive of the cost of building workers' living quarters; the maximum not to be more than 7.25 million Reichsmark, however.

The I.G. assumes the responsibility for effective operation of the Buna installation and for its capacity to produce a minimum of 2,000 tons of Buna per month.

Par. 2

Auditing of accounts.

After completion of plant erection the Reich has the right to examine the cost of building the Buna installation, inclusive of the general I.G. installations on the Schkopau works' grounds of which it makes use (compare par. 6, section 1). The Reich also can assign such work to agents who cannot be considered competitors in the Buna field.

Par. 3

Operation of the Buna installation.

The I.G. pledges itself to conclude a contract with the Buna Werke G.m.b.H. according to which all its present or future patents, processes, experiences and licenses which are necessary or useful for the Buna production are to be made available to the Buna Werke G.m.b.H. for the duration of the contract. In this contract the I.G. will take upon itself the obligation towards the Buna Werke G.m.b.H. and herewith also take the obligation towards the Reich, to continue endeavors while the contract is in force for the further development of the process as well as for perfecting the processing qualities and the processing

( Page 4 of the original )

21 NJ

methods of Buna through work done along that line in its laboratories and plants..

The I.G. also guarantees an unvarying quality of the products introduced to the trade from time to time (at this time, "Zahlenbuna" and Buna S), with due consideration for the technical development. Minor variations in quality - similar to those which occur with natural caoutchouc - are not considered an infraction by I.G. of this obligation.

To the extent that Buna fails to supply a product of the quality described in the preceding paragraph, the guarantees assumed by the Reich according to paragraph 9 and 10 of the Contract will be suspended.

#### Par. 4

##### Compensation to the I.G. for the duration of the Contract.

A remuneration of 6 Reichspfennigs (Rpfg) per kilogram of saleable Buna is being paid to the I.G. by the Buna Werke G.m.b.H. for the contributions arising from her making available her present and future patents, processes and experiences for expenses incurred by I.G. incidental to patents in the Buna field, for obligations existing at the time of the conclusion of the contract for the payment of compensation to inventors, and for the payment of licenses to third parties, as well as for other general expenses.

The I.G. also receives for the work currently to be done by it in the way of experiments and developments, an additional compensation of 12,5 Reichspfennigs per kilogram of saleable Buna; as a maximum, however, 3,0 million Reichsmark per year.

After consultation with the Reich the I.G. will reduce the compensation rate of 12,5 Reichspfennig per kilogram of saleable Buna, and in like manner the maximum amount of 3 million Reichsmark in the event that the current expenses incidental to experimentation and development should fall below this amount in which connection expenditures after 1 July 1937 in excess or below the maximum are to be carried forward.

( Page 5 of the original )

22 AJ

This compensation for work incidental to experiments and developments is to be divided proportionately to the level of production and within the limits of the maximum amount of 3 million Reichsmark on all Buna installations still to be erected within the framework of the Four Year Plan.

#### Par. 5

##### Supply of Current.

The I.G. pledges itself to conclude a contract with the Buna Werke G.m.b.H. according to which I.G. will supply and the Buna Werke G.m.b.H. will consume for the duration of the contract and without variation 50,000 kilowatts 100,000 volts of alternating current. The I.G. pledges itself that the Buna-Werke G.m.b.H. will conclude a corresponding contract with the Elektrowerke A.G., Berlin, for the consumption of the unchanging quantity of 40,000 kilowatts, 100,000 volts of alternating current. The contracts should provide that a reduction in current requirements must be met in equal measure by those current suppliers. These contracts must be approved by the Reich.



Par. 6

Economy Combine.

The I.G. pledges itself to conclude a contract with the Buna Werke G.m.b.H. according to which the Buna Werke G.m.b.H., on the one hand, and the I.G., on the other hand, make their general utilities in Schkopau (e.g. streets, canals, social welfare provisions), as well as facilities (e.g. work-shop, water works, power plant and transport facilities) mutually available against payment of the proportionate share of the cost price.

There is also a contract concluded between the I.G. and the Buna Werke G.m.b.H. according to which the Buna Werke G.m.b.H., on the one hand, and the I.G., on the other hand, pledge themselves to supply to each other intermediary products, and products obtained in their respective workshops in Schkopau (with the exception of Buna) and to bill them at cost price to the extent that such deliveries fall within the scope of an orderly works operation; the Buna Werke on the other hand, are to supply intermediary

( Page 6 of the original )

23 AJ

products and produces to I.G. only to the extent as this will not result in a curtailment of the highest possible Buna production provided by the Contract, unless the consent of the Reich be obtained for such deliveries.

The cost price according to the meaning of the above mentioned provisions should take into consideration deterioration and interest as provided by the directives accompanying this Contract.

Par. 7

Buna Sales.

The regulation of Buna sales to inland consumers remains subject to agreement at a later date; until 1 July 1938 such agreement between the Buna-Werke G.m.b.H., the I.G. and the caoutchouc import trade is subject to the approval of the Reich.

The average compensation for selling and for technical consultation incidental to sales is not to exceed 2% of the amount billed to the customer.

II. The Reich's Contributions.

Par. 8

Loans.

According to estimates so far available the capital required for erecting the Buna installation, including auxiliary plants (power plants, work shops, water works, social



welfare services and the like), also including the working capital needed therefore amounts totally to 193 million Reichsmark. These will probably be apportioned as follows:

1. for the installations of Buna-Werke G.m.b.H.  
(including water work at Schkopau) . . . . . RM 145 Million
2. for working capital of Buna-Werke G.m.b.H. RM 20 Million  
  
RM 165 Million  
in round figures
3. for I.G. plants (general plants in Schkopau,  
enlargement of I.G. power works outside of  
Schkopau) RM 28 Million  
  
RM 193 Million  
=====  
in round figures

( Page 7 of the original )

24. AJ

For the construction of its plants the Reich will make available to the Buna-Werke G.m.b.H. a loan of 90 million Reichsmark.

If, after completion of the plant, it should develop that the cost of the Buna establishment as provided for in figure 1 is less than 145 million Reichsmark the loan to be granted by the Reich will be curtailed in equal measure. If the amount just mentioned is exceeded there will be no increase of the loan, however.

Interest charged for the loan granted by the Reich amounts to 5% per annum. Amortization will be done in ten annual installments of equal amounts. The first installment is due 30 June, 1939 (\*). Refunding of the full amount or of a fraction thereof earlier than the due date is permissible, subject to a month's notice.

The balance needed for financing of the Buna Werke G.m.b.H. -the general I.G. plants in Schkopau and the enlargement of the I.G. power plant outside of Schkopau- will be covered by I.G. out of its own means, the necessary working capital being placed at the disposal of the Buna-Werke G.m.b.H. The funds to be made available by I.G. will draw interest at 5% per annum.

For the protection of its claims arising from the loan the Reich is entitled to demand of the Buna-Werke G.m.b.H. at any time that a collateral lien be entered as first mortgage on their property in an amount up to 90 million Reichsmark. In case the Reich makes use of this right, the I.G. is entitled to demand the recording of a security lien in an amount up to 90 million Reichsmark of equal security level with the Reich, as a means of safeguarding its claims arising from loans granted or to be granted. The right of the Reich to have a security lien recorded can be enforced - if the Reich so desires -

through entry of a clause; if such a clause is recorded the right of I.G. to have a security lien recorded must also be safeguarded through an appropriate clause. The cost of this recording - if such case arises - will be borne by the Buna Werke G.m.b.H. who will enter it in their accounts as plant incidental.

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(\*) (Transl.'s note) handwritten notation: repayment of the loan granted by the Reich, and the final date mentioned in par.18 shifted by 9 months.  
According to letter of Reich Economy Office (R.W.A.) IV Fin. 2/4099/38 of 11 October 1938.

( Page 8 of the original )

25 AJ

Par.9

Sales Guarantee.

For the Buna produced by the Buna-Werke G.m.b.H. while the contract is in force, the Reich guarantees a market for quantities up to 24,000 tons of Buna per year, and it pledges itself - if necessary - to facilitate such sale through appropriate measures. Should it be possible - if necessary through supplementing of installations in a measure which is moderate compared with the benefit derived - to produce more than 24,000 tons of Buna per year, the said guarantee pledge on the part of the Reich also covers this increased production to the extent that it does not exceed 6,000 tons per annum.

Par.10

Price Guaranty.

After the plant has been put into full operation for 2,000 tons of Buna per month, and as of the time that the production will amount to 2,000 tons of Buna per month as a more or less uniform monthly output computed as average production throughout the year, the Reich guarantees to the Buna Werke G.m.b.H. for the duration of the Contract for saleable quantities of Buna an ex works price which will correspond to the cost of production (guaranteed price). After consultation with the Buna Werke G.m.b.H. the Reich or agencies appointed by it will proceed to establish in each instance the costs of production for a 6-month calendar period by making a subsequent check of calculations according to the directives which accompany this contract.

Initially the guarantee is given for two years, beginning with the date when the plant will be in full operation for the production of 2,000 tons of Buna per month, and it will remain in force beyond that time until the contracting parties have agreed on some other modus which would be in keeping with the meaning and the purpose of this contract. The experiences meanwhile derived should be taken into consideration in that connection.

During the initial period, i.e. until the time when the price guarantee takes effect the Buna prices for delivery to the customer will be established by the Buna Werke G.m.b.H.

( Page 9 of the original )

26 AJ

After the price guarantee takes effect the price for delivery to the customer will be established by the Reich or the agencies appointed by it - after consultation with the Buna Werke G.m.b.H. - for the duration of six months, on the basis of tentative calculations of the costs of production. In this connection experiences derived from the preceding 6 month calendar periods are to be considered, as well as also modifications in the process or in technical equipments which might have occurred until the date of price establishment, and the sales compensation.

The first delivery price to be established by tentative calculation after the price guarantee takes effect remains valid until the half-yearly determination of the price as described in the preceding paragraph takes place for the first time. In like manner, delivery prices subsequently established remain in effect in each case until the establishment of a new delivery price.

Should the net proceeds as per Section F of the directives - as compared with the price guaranteed according to Section 1 - yield a surplus for the Buna Werke G.m.b.H. such surplus must be paid to the Reich. In the case of a deficit the Reich will compensate the Buna Werke G.m.b.H. Such payments of adjustment are being made at the latest four months after expiration of the six calendar months period on which accounting for the costs of production and of the revenue took place. In that connection 5% interest are to be refunded as they accrue since the end of that 6 calendar months period.

#### Par. 11

#### Economy Premium.

One year after the installation for the production of 2,000 tons of Buna per month has been fully put into operation the costs of production will be established by the Reich or by agents appointed by it for the last six-month period of that time, in consultation with the Buna-Werke G.m.b.H. (export price). Should it be possible, at a later date, to cut the price below this export price the Buna-Werke G.m.b.H. will pay to the I.G. as an economy premium 10% of the reduction accomplished, as compared with the export price.

( Page 10 of the original )

27 AJ

The economy premium is to be remitted immediately upon completion of the check of costs.

The following principles will apply for calculating



the economy premium:

- 1.) As the highest export price a price of 2.70 Reichsmark per kilogram of Buna is established.
- 2.) Savings of which it can be shown that they are not due to technical efficiency or to economic measures of I.G. are not eligible for premiums. For example, as not eligible for premium the following should be considered:

Decrease in the cost of interest because of refund of loans and because of interest reductions, tax allowances or reductions, reduction in the compensation for experimentation and costs of development, etc.; increases in the cost of production, on the other hand, which can be shown to be caused through circumstances outside of the program of manufacture; e.g., elimination-entirely or in part- of tax exemption, through increase of taxes or similar public burdens, and the like, will not be taken into consideration for the comparison between the cost of production at any given time and the export price.

### III. Other Contract Provisions.

#### Art. 12

##### Alcohol Production.

Installations for the production of alcohol are to be enlarged to the extent only as will appear to be technically and economically advantageous for the application of the Buna process. During the present four-step program the production of alcohol is not to surpass that of Buna; i.e. incidental to the production of 2,000 tons of Buna per month not more than 2,000 tons of alcohol must be produced.

( Page 11 of the original )

28 AJ

#### Par. 13

##### Process Modification.

Upon the request of the Plenipotentiary for the Four Year Plan the Buna plant is being built with particular expediency according to the four-step system although it must be expected that this system will prove antedated within a short time by reason of a more economical process, e.g. the two-step process. Should it prove economically reasonable and advisable for the sake of cutting the cost of production to make a change, e.g. adopt the two-step process, or should there be made a change in shifting from production of Buna S to other types of Buna- with due consideration for the time during the Contract will still continue in effect - an understanding will have to be reached between the Buna-Werke G.m.b.H., the I.G., and the Reich on the installation cost which the change will entail or on plant parts which can be dispensed with as a result of increased deterioration.



IV. General Provisions.

Par. 14

Examination right.

The Reich is authorized at any time to subject the operations and the administration of the Buna Werke G.m.b.H. to an examination, as a check on costs of production and the revenue computation. The Reich also can have the examination of books and operations carried out through agents who cannot be considered competitors in the Buna field. The same privilege as regards examination is available to the Court of Accounts of the German Reich (Rechnungshof), according to Par. 45 c of RHO. (Rechnungshof Code).

The Buna Werke is held to supply all necessary information relative thereto and to make all data available. The same obligations apply for I.G. as regards its contributions and deliveries to the Buna Werke G.m.b.H. according to par. 6 of this contract. To the extent that this involves contributions and deliveries to the Buna Werke G.m.b.H. by I.G. and the works of its Konzern beyond the scope of the economy combine, according to the meaning of par. 6 of this contract,

( Page 12 of the original )

29 NJ

the I.G. and its Konzern works will supply the required information necessary for checking on the conformity of the actual price calculation with the ~~provisions~~ of this Contract.

The cost incidental to examinations made by reason of this Contract is defrayed by the Buna Werke G.m.b.H.

Par. 15

Not a Subsidy Establishment.

The contributions to be made by the Reich on the basis of this Contract do not fall into the category of a financial contribution in the sense of the fourth part of chapter V, par. 3 of the Decree of the Reich President for the Pruning of Economy, dated 4 September 1932 ( Reich Law Gazette, vol. 1, page 425 ).

Par. 16

Modifications in the Participation and Credit  
Structure of the Buna Werke G.m.b.H.

The I.G. guarantees that the Buna Werke G.m.b.H. will become a partner to this Contract in their own right.

The I.G. guarantees that for the duration of the Contract shares of the Buna Werke G.m.b.H. will not be disposed of - entirely or in part - except with the consent of the Reich. The Buna Werke G.m.b.H. will not proceed to make amendments in the articles of the corporation which might detrimentally

affect their qualification as the functioning body of the enterprise and as a contracting party, especially a modification of the purpose of the establishment or a reduction of the company capital, nor essential changes in the credit structure- to the extent that I.G. credits are involved - except with the consent of the Reich; to that effect it is a prerequisite that credits extended by the I.G. to the Buna Werke G.m.b.H. are subject to interest payment not higher than 5% per annum.

Par. 17

Concluding of Basic Contracts.

All basic contracts which by reason of the above contract are being contracted between the Buna Werke G.m.b.H. on the one hand,

( Page 13 of the original )

30 AJ

and the I.G. its Konzern works or any other third party, on the other hand, must be submitted to the Reich at once. It is the privilege of the Reich to raise objections against these contracts and to demand their appropriate amendment within one month whenever they are in contrast with the meaning and the purpose of this Contract or run counter to the principles of an orderly works' management.

Par. 18

Duration of Contract.

This Contract between the Reich and the I.G., as well as the relations established by contract between the Reich and the Buna Werke G.m.b.H. terminate on 30 September 1948. It is a pre-supposition for the above that putting into operation of the plant for a production of 2,000 tons of Buna per month will take effect by the middle of 1938. Should the putting into operation of this plant be delayed beyond 1 October 1938, for reasons for which I.G. does not have to account the dates stipulated in Par. 8, Section 3 for refunding the loans granted by the Reich, as well as the above mentioned termination date for the Contract, will be shifted accordingly.

Par. 19

Court Competency.

Irrespective of other agreements made relative to arbitration proceedings the court competent for litigations arising with regard to the existence, the execution or the interpretation of this Contract will be the District Court Berlin.

Par. 20

Costs of Contract.

The expenses which arise by reason of the conclusion

and the carrying through this Contract as well as the contracts which according to I

( Page 14 of the original )

31 AJ

are to be concluded between the I.G. and the Buna Werke G.m.b.H. (document fees, examination of books and operations, etc.) will be defrayed by the Buna Werke G.m.b.H.

Berlin, (transl.'s note)  
handwritten notation:  
16 August 1937

Frankfort on the Main,  
(transl.'s note) handwritten  
notation: 20 September 1937

Minister President General  
Goering,  
Commissioner for the Four  
Year Plan.

I.G. Farbenindustrie  
Aktiengesellschaft

(transl.'s note) handwritten notations:

(sig.) signature

(sig.) signatures.

The Reich and Prussian  
Minister of Economy  
(transl.'s note) handwritten  
notations:  
as Deputy for the Under  
Secretary:

Frankfort on the Main  
(transl.'s note) handwritten:  
20 September 1937

(sig.) signature

(sig.) signatures.

The Reich Finance Minister  
(transl.'s note) handwritten  
(sig.) signature

In agreement with the contracting parties the following formal corrections were made:

"Par. 16, Section II, p.12 of the Contract and Section E.I. alinea 3, page 11, as well as Section III.1.b., alinea 4, page 12, and Section F.II, alinea I, page 14 of the directives.

Par.10, Sec.4, p.9 of the Contract."

32 AJ

Stamp: Tea Office  
18 March 1940

Ministry of Economics  
Attention of Sen. Government Councillor  
(Oberregierungsrat) ROEMER,

B e r l i n  
-----  
Taubenstr. 16

Secr. Ministerial Councillor  
Dr. Buhl

16 March 1940

Buna-Contract  
Schkopau.  
-----

Dear Senior Government Councillor:

Pursuant to the agreement we are sending to you six copies of the draft for a new contract which is to take the place of the contract concluded in 1937. You will note from the draft that in compliance with your wishes we are prepared to raise the company capital of the Buna Werke G.m.b.H. to 100 million Reichsmark. We consider it a prerequisite, however, that in keeping with the Reich Finance Minister's Decree of 21 January 1937.

page 1966 B - 615 III  
page 5114 - Sch. 21 III

credits in excess of the company capital will, now as before, continue not to be subject to taxation for reasons of equity.

As regards the requirement of an additional cash credit of 22 million Reichsmark proposed by the Reich, we wish to advise that we shall not need this credit until the first half of the year 1941.

Heil Hitler!

I.G. FARBEINDUSTRIE AKTIENGESELLSCHAFT  
(sig.) Dr. Buhl (transl. note)

handwritten:

(sig.) Dencker

(crossed out)

(transl.'s note) handwritten by Weider

Ø with enclosure  
to Dir. Dr. von Meer  
" " Dr. Ambros  
" " Dencker  
" " Beigwardt  
" " Dr. Struss

(transl.'s note) handwritten initial: illegible



(Page 1 of the original )

33 AJ

C o n t r a c t

between the Deutsches Reich, represented by the Reich Minister of Economy and the Reich Finance Minister (in the following termed "Reich ")

on the one hand

and

the I.G. Farbenindustrie Aktiengesellschaft, Frankfurt/Main, (in the following termed "I.G.") and the Buna Werke G.m.b.H., Hirschberg (in the following termed "Buna Werke")

on the other hand.

In compliance with the wishes of the Reich and within the purview of the economy expansion program the I.G. has erected in Schkopau a mammoth plant for the production of synthetic caoutchouc (trade mark registered for the I.G. Buna) for a production capacity of 30,000 tons per annum and has assigned the Buna Werke G.m.b.H. Hirschberg, -created for this purpose- as the functioning body of this enterprise.

As regards the construction and the operation of this Buna Plant, especially as regards the financing of same, a contract has been concluded between the Reich and the I.G. under date of 16 August/20 September 1937 in which Contract the Buna Werke also became a partner to the extent that the contract has bearing on them. According to this Contract the Reich has made a loan of 90 million Reichsmark available for this Buna plant- whose capital requirement, including the necessary subsidiary installations (general I.G. installations in Schkopau, expansion of I.G. power works outside of Schkopau) and including the working capital had been estimated at 193 million Reichsmark- while the balance of the program was financed by the I.G. In addition, the Reich has extended far-reaching guarantees for the sale and the price of Buna.

Upon the Reich's request the Schkopau-Buna plant is to be enlarged for a 100% higher capacity, to 60,000 tons, per year as the hypotheses which led to the above mentioned Contract have undergone a considerable modification by reason of developments since 1937, the contracting parties have decided to invalidate the Contract in its entire scope as of 1 January 1940 and to substitute for it the following loan Contract between the Reich, on the one hand, and the I.G. and the Buna-Werke, on the other hand.

( Page 2 of the original )

34 AJ

Par.1

Reason for the Granting of a Loan.

(1) As an extension of the building contract concluded with the Buna Werke on 15 June 1937 the I.G. pledges itself to

enlarge Schkopau Buna plant with the greatest possible expediency for a capacity of 60,000 tons of Buna per year, in round figures. The I.G. guarantees satisfactory operation of the plant and to reach the capacity just mentioned.

(2) The I.G. has concluded a contract with the Buna Werke according to which it makes available all patents, processes, experiences and licenses, necessary or useful for the production of Buna. Under this Contract the I.G. pledges itself towards the Buna Werke, and thereby also pledges itself towards the Reich, to take steps with a view to further developing the process as well as to improving the processing qualities and processing methods through appropriate work for the development in its laboratories and works, while the contract is in force.

(3) For the period that the loan is in effect the I.G. and the Buna Werke guarantee an unvarying quality of the brands introduced to the trade from time to time, with due consideration for technical improvements. Minor variations in the quality, similar to those occurring in connection with natural caoutchouc are not considered an infraction of the pledge of I.G.

(4) The I.G. has undertaken to enlarge the Buna plant from 30,000 tons per year to 40,000 tons per year out of its own means. The further extension of the plant for an additional 20,000 tons per year -including the interest for building and the expense of planning and managing the building program has been estimated at 85 million Reichsmark in round figures.

## Par. 2

### The Granting of a Loan.

The Reich which according to the contract of 16 August/20 September 1937 and as brought out in the preamble had already granted a loan of 90 million Reichsmark to the Buna Werke leaves this loan with the Buna Werke even after invalidation of the contract just referred to. The Reich, furthermore, makes additional means available for the enlargement of the Buna Werke in the amount of 40 million Reichsmark which is done, on the one hand, by waiving the first refunding installments of 9 million Reichsmark, each, due on 30 June 1940 and 30 June 1941 respectively for the loan already granted by reason of the contract of 16 August/20 September 1937 and,

( Page 3 of the original )

35 AJ

on the other hand, by granting to the Buna Werke an additional credit in cash, of 22 million Reichsmark. This supplementary loan will be combined with the previously granted loan into one whole, in the manner set forth in the following:

- 1.) The Reich grants to the Buna Werke for the erection of the Buna Plant in Schkopau and its enlargement for a capacity of 60,000 tons of Buna, per year, a loan of totally 112 million Reichsmark of which 90 million Reichsmark have already been paid, with a balance of 22 million Reichsmark

- to be paid in addition.
- 2.) The loan is subject to interest payment of 5% per annum; interest is payable retroactively, on the last day of a 6-month calendar period.
  - 3.) The refunding of the loan is effected in ten yearly installments in the equal amount of 11.2 million Reichsmark each. The first installment is due on 30 June 1942, the last installment on 30 June 1951. This hinges on the entire plant's being ready for operation, with a capacity of 60,000 tons of Buna per year, by the middle of 1941. Should for reasons for which I.G. or the Buna Werke do not have to answer the total plant be ready for operation at a date later than 1 July 1941, the above mentioned dates for repayment of the loan will shift accordingly. Complete or partial refunding of the loan at an earlier date is possible at any time, after notification of the Reich one month in advance, if necessary for application against subsequent refunding installments, to be determined by the Buna Werke.
  - 4.) Should the case arise, contrary to expectations, that as a result of measures taken by the Reich an economically profitable production of Buna will no longer be possible in Schkopau, the Buna Werke have the right to demand that a new agreement with the Reich be made for the balance of the loan not as yet refunded, in a manner which takes this situation into due consideration.
  - 5.) For the protection of its claims arising from the loan the Reich is entitled to demand of the Buna Werke at any time that a collateral lien be entered as first mortgage in the amount up to 112 million Reichsmark.

( Page 4 of the original )

36 AJ

If the Reich avails itself of this right the I.G. is entitled to demand the recording of a security lien in an amount up to 112 million Reichsmark, ranging equal with the security lien of the Reich, as a means of safeguarding its claims arising from loans granted or to be granted. The right of the Reich to have a security lien recorded can be effected - if the Reich so desires - through the entry of a clause; if such a clause is recorded the right of I.G. to have a security lien recorded must likewise be protected through an appropriate clause. The cost of this recording - if such a case arises - is defrayed by the Buna Werke and will be charged in their books as a plant incidental.

### Par. 3

#### Own Financing.

The I.G. and the Buna Werke pledge themselves to finance the balance of the cost of extension for the Buna Plant, to provide for a capacity of 60,000 tons of Buna per year, out of their own funds, which will be possible by increasing the original capital of the Buna-Werke G.m.b.H. from 50 million Reichsmark to 100 million Reichsmark.



Par. 4

Auditing Right.

The Reich Ministry of Economy and the Court of Accounts of the German Reich have the right to proceed at any time to an examination of the accounts and operations of the Buna Werke through their own organs or through special experts who cannot be considered competitors in the Buna field, in order to determine whether the loan is being used according to Contract provisions and whether there can be a question of endangering the claims of the Reich or whether the prerequisites for such condition exist or have existed.

Par. 5

No Subsidy Establishment.

By reason of the loan the companies do not become subsidy establishments according to the meaning of the fourth section of

( Page 5 of the original )

37 AJ

Chapter V of the Reich President's Decree for the Pruning Economy, of 4 September 1932 (Reich Law Gazette, volume I, page 423 - Reichsgesetzblatt 1, S. 423).

Par. 6

Modifications in the Participation and Credit Structure of the Buna Werke G.m.b.H.

The I.G. guarantees that for the duration of the loan shares of the Buna Werke G.m.b.H. will not be disposed of - entirely or in part - except with the consent of the Reich. The Buna Werke will not proceed to make amendments in the articles of incorporation which might detrimentally affect their status as functioning body of the enterprise and as contracting party, especially a modification of the purpose of the establishment or a reduction of the company capital, nor make essential changes in their credit structure - as regards credits other than I.G. credits - except with the consent of the Reich; in this respect it is a prerequisite that credits extended by the I.G. to the Buna Werke are subject to interest payment not higher than 5%.

Par. 7

Court Competency and Costs.

(1) Irrespective of other agreements made relative to arbitration proceedings, the court which is competent for litigations arising with regard to the existence, the execution, or the interpretation of this Contract will be the District Court Berlin.

(2) Costs incidental to this Contract, such as document fees, examinations, and the like, will be defrayed by the Buna Werke.



39 AJ

Attachment to the Contract between the  
German Reich and the I.G. Farbenindustrie, Aktiengesellschaft  
relative to the Buna Plant at Schkopau.

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D i r e c t i v e s

for the establishments of the costs of production  
and the calculation of the proceeds from Buna.

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40 AJ

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T a b l e o f C o n t e n t s .  
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|                                      | <u>Page</u> |
|--------------------------------------|-------------|
| A. <u>General</u>                    | 1           |
| B. <u>Calculations-Pattern</u>       | 2           |
| I. Production Value                  | 2           |
| 1. Cost of investments               | 2           |
| 2. Production Expenses               | 3           |
| II. Cost of Shipping                 | 3           |
| III. General Expenses                | 4           |
| IV. Special Profits                  | 4           |
| C. <u>Outlay for Operating Costs</u> | 5           |
| D. <u>Plant Investment</u>           | 10          |

|  |    |
|--|----|
| E. <u>Price Calculation</u>  | 11 |
| I. In the Economy Combine  | 11 |
| II. Outside of the Economy Combine                                     | 11 |
| 1. Deliveries to Establishments<br>belonging to the I.G. Konzern works | 11 |
| 2. Deliveries to Establishments of<br>I.G. Konzerns                    | 13 |
| F. <u>Proceeds Calculation</u>   |    |
| I. Works Proceeds  | 13 |
| II. Determination of Differentials                                     | 13 |

( Page 1 of the original )

41 AJ

D i r e c t i v e s

for the Establishment of the Costs of Production  
and the Calculation of the Proceeds from Buna.

=====

A. General.

The directives are to be used in establishing the cost of production and the calculation of proceeds from Buna. They thus form an integral part of the Contract. Should it be found while the contract is in force that the directives in their entirety or in individual parts do not answer the purpose of the Contract the contracting parties will consult with each other with a view to bringing about appropriate modification.

The costs of production for Buna manufactured in the Schkopau plant of the Buna Werke G.m.b.H. are being broken down according to their origin into costs for the deliveries, and for the yield which

1. accrue in the installations of the works themselves,
2. are being billed
  - a) by Konzern establishments of I.G.
  - b) by firms not members of the Konzern.

Agreements on prices to be billed for deliveries and facilities mutually made available between the Schkopau Works of the Buna Werke G.m.b.H. and the I.G. Konzern establishments are being set forth in Section E of these Directives.

By Konzern establishments of I.G. Farbenindustrie Aktiengesellschaft are understood firms in which the I.G. Farbenindustrie Aktiengesellschaft is directly or indirectly interested with more than 50%, or firms with which the I.G. Farbenindustrie Aktiengesellschaft has concluded partnership of interest agreements which in terms of duration and contents are tantamount to an economic merger and, in addition, establishments operated by its own firms.

The orderly booking of all business incidents which come under the contract must be shown in the books of the Schkopau Works of the Buna Werke G.m.b.H., in which connection deliveries and contributions as accounted for must be supported by original bills, or by statements of charges.

( Page 2 of the original )

42 AJ

The system of book-keeping must be so comprehensible that a check on the cost of production and the proceeds calculation, according to par. 14 of the Contract, will be essentially facilitated. Auditing will take place every six months, each time at the end of a 6-month calendar period; in this connection the costs of production and the proceeds calculated for the six-month calendar period just finished will be the basis. The vouchers necessary for such audit must be made available by the Buna Werke G.m.b.H. within eight weeks after conclusion of each six-month calendar period.

#### B. Pattern for Calculations.

In the calculation of the costs of production the following pattern will be applied:

- I. Production value
  1. cost of investment
  2. production expenses
- II. Cost of shipping
- III. General expenses
- IV. Special profits.

Unless and until the contracting parties do decide for a modification of procedure the production cost will be established through a subsequent check of calculations, in which connection the manufacturing costs established for a six-month calendar period are being added up and appropriately recorded in the business accounts. The costs of shipping and the general costs are likewise being established on a 6-month calendar period basis. The sum total derived from the production value, plus the general expenses, minus the special profits - based on a 100 kilograms quantity of production -, adding thereto the shipping expenditure per 100 kilograms of product shipped, is being termed the cost of production price for Buna.

As to I. Production Value.

1. Investment expenditure.

This covers the consumption, after the deduction of the production of

- a) Raw materials
- b) Intermediary products
- c) Waste products.

The price for the calculation of each of the products considered here

( Page 3 of the original )

43 AJ

is being calculated on control sheets on which the additions in terms of quantity and value are being recorded, based on bills of delivery, plus the cost of freight, if any, plus the apportioned share of transportation expense, expenditure for storing, purchasing, etc.; and on the basis of the sum total the average price per 3-month calendar period is being calculated. Against this are the consumption and taxes being calculated while the remaining total thus established will be carried forward at the same price.

In the case of waste material and intermediary products the item to be recorded on the control sheets will be the production with its calculation value, instead of the additions as per bills of deliveries. The calculation value will in each case be understood free collecting vessel or works depot.

Waste material (by-products) are products as they of necessity accrue in a manufacturing process without constituting the final manufacturing product or being suitable for use in the Buna production; and the cost of which cannot be found through calculation (e.g. acetyl alcohol). To the extent that such waste products are saleable the calculation value will be found when using as a basis such prices as can be obtained through sale of the product, deducting the cost, if any, of additional processing and the cost incidental to selling.

2. Manufacturing Costs.

The manufacturing costs comprise that portion of the operating expenditure which covers the processing of the raw materials into products.

This processing cannot be covered by one single step of manufacture and this explains why manufacturing is apportioned to individual plants whose expenditures are being recorded on a monthly basis on special accounts and which are being broken down in statistical fashion. They will be considered in the calculation of the products obtained.

As to II: Shipping Expenses.

The shipping costs will be established by the principles used for the manufacturing costs. While the manufacturing costs



cover the costs as far as delivery of the products to the works' depot, the shipping costs will cover the costs incurred for such depots, and the additional costs of packing and shipping from the depot to the point where the product

( Page 4 of the original )

44 AJ

leaves the plant. The expenditure for the works depots will include the losses in quantity and value which occur at the depot, e.g. through shrinkage.

To the shipping costs will be added interest for the capital in circulation (Umlaufkapital) which is tied up in in stocks of the products, and the payments not yet collected from customers.

As to III: General Expenditures.

1. Remuneration to I.G.

As provided for in Par. 4, the I.G. is entitled to certain compensations for expenditures on research work and other general expenditures. These dues - figured on the basis of saleable production of the Buna Werke G.m.b.H. - are to be paid to the I.G. subsequently at the end of a 3-month period, and they will be included in the cost of production of Buna.

The Buna Werke G.m.b.H. on the other hand, are entitled to the payment by the I.G. of expenditures incurred in the Schkopau works for the following:

Research laboratories,  
Scientific experiments,  
Scientific associates,  
Scientific societies,  
Patent departments,  
Patent costs,  
Patent processes,  
Salaries paid during period when emoluments  
are held back (Karenzgehalt),  
Pension payments,  
Central administration expenses,  
and the like.

2. Reich Taxes.

As general expenditures are also considered taxes which - entirely or in part - are not included in the cost of production and shipment, e.g. corporation tax. They are being computed against Buna production as they actually accrue.

3. Compensation to Inventors.

Finally, compensations are included in general expenditures which are being paid for inventions and licenses by reason of commitments entered into after the conclusion

of the Contract, to the extent that such compensations are not to be charged directly to the respective production phases.

As to IV: Special Profits

Profits derived from the sale of intermediary products to

( Page 5 of the original )

45 AJ

I.G. Konzern works, or to third parties, should not be charged against the cost of production of the respective phase of production but are to be recorded separately and are to be set apart from the production costs of Buna.

C. The Cost of Plant Operation.

The cost of the plant operation is being established through monthly statements of accounting in which the costs, broken down in the books according to types of costs, are being apportioned to the individual works branches where the costs arise and for which subsequent calculations are based in part on the capacity principle and, in part, on the principle dealing with additional charges.

For each of the works branches the following items should be embodied in an account on plant expenditures:

1. Salaries
2. Wages
3. Power
4. Cost of repairs
5. Filter and pressure cloth material or small-type machines
6. Material and small utensils
7. Packing material and transportation costs
8. Office and laboratory expenditure
9. Social welfare and general plant expenditure
10. Interest and taxes
11. Deterioration
12. Credits for contributions.

On 1: Salaries

This covers all types of income, including premiums to salary recipients who work full-time, or part time, directly for the plant in question; but this does not include the salaries of such persons who are employed in the plants for the supervision of repair workers. Such salaries are charged against the respective work shops.

On 2 : Wages

This item covers all gross wages paid in the course of a month including all premiums paid for all wage recipients who work under the control of the plant.

On 3 : P o w e r

Under this caption all debit items must be listed for power received as produced in the plant, or power purchased in addition also revenue for power sold. The quantities are being currently established for each type of power

( Page 6 of the original )

46 AJ

by means of measurements. The power price is set according to calculation, every month. This primarily involves the following:

Steam,  
Water,  
Current,  
Compressed air,  
Refrigeration,  
Gas for heating and power.

Under this heading the consumption of coal and coke for heating purposes is likewise established.

On 4: Expenditure for Repairs.

Expenses incurred for the maintenance, partial replacement and remodeling of buildings, alterations in machines, and changes in their places of erection, apparatus, and other plant equipment, are being charged as repair expenditure to the extent that they do not fall into the class of new installations according to the inventory principles laid down in section D. Repair expenditure will be charged against the establishments which make use of the installations which are under discussion.

This covers either contributions by outside contractors or through own auxiliary installations of the works proper; accounting for the latter is based on the cost price for the material, and wages, plus an additional allowance, by means of which the expenses of the auxiliary installations are being defrayed. If the cooperation of I.G. construction departments is necessary the cost thereby involved must be added, provided such contribution is not covered by the compensation payable for experimental work and developments. Contributions by outside contractors will be charged at cost billed, plus an additional charge for own additional expenses.

To this repair expenditure will also be added amounts for which the establishments will be debited at the time when installations are being discarded.

On 5 : Filter and Pressure Cloths, or small Type Material.

Under this caption is comprised the expenditure of chemical establishments for filter and pressure cloths; in the case of work shops this will include small type delivered to warehouses and which are being incorporated in the cost addition charged by workshops so that a specific distribution according to orders is unnecessary.

( Page 7 of the original )

47 JJ

On 6: Materials and Small Equipment.

This incorporates the following expenses:

- a) Works materials, i.e.  
oils, fats, chemicals,  
wool for polishing; overalls for workers, etc;
- b) Small equipment and replacement of work-shop tools,  
e.g. the replacement of tools  
and easily transportable equipment
- c) Expenditure for materials, i.e.  
the cost for maintenance and administration  
of stocks of material  
this to be covered by means of an addition  
to the value of the material used.

On 7: Packing Material and Transportation Expenditure.

Under this category should be recorded packing material waste and transport expenditure -but only to the extent that the establishment itself is involved. To the extent that raw materials, fuel, semi-finished and finished products are concerned which were purchased this cost should be included in the cost price.

On 8: Office and Laboratory Expenditure.

In this column such amounts should be listed which are charged to the establishments, for work done in behalf of these establishments by laboratories and offices of own works or of Konzern works, provided this is not covered by the compensation due for work on experiments and development. Included should also be a share in the expense for travels and automobile travel, as well as visits of outsiders, telephone and telegram expenditures, postage, etc.

Breaking down is as follows:

- a) office expenses
- b) laboratory expenses
- c) other expenses.

On 9: Social Welfare and General Factory Expenditure.

Amounts should be listed here which are computed for covering social welfare and general factory expenses of the work themselves, including the share in costs charged by the I.G. Breaking down is as follows:

- a) allowance in addition to salary
- b) allowance in addition to wages
- c) expenditure for fire protection.



( Page 8 of the original )

48 AJ

As regards a) Allowance in addition to salaries.

The expenses covered by the allowance to salaries are being proportionately distributed to the cost factors, as provided by salary code. Among other items this include the following:

|                               |  |
|-------------------------------|--|
| Living quarters for employees | Casino                                 |
| Benefits to employees         | Homes for unmarried people             |
| Garages for employees' cars   | Rent allowance to employees            |
| Vacation homes                | Contributions to pension fund          |
| Plant telephone               | Settlement dwellings and shops         |
| Inns                          | Social welfare insurance for employees |
| Jubilee presents to employees | Play grounds                           |
|                               | Plant mail service                     |

As to b) Allowance in addition to wages.

The expenses covered by the allowance in addition to wages are proportionately distributed to the individual cost factors. Among other items this covers expenditures for the following:

|   |   |
|---|---|
| Matters pertaining to general education       | Vacation allowances                                     |
| Baths for workers                             | Gardens   |
| Eating establishments for workers             | Garden culture and allotment gardens                    |
| Workers' kitchens and kantens                 | Liability insurance                                     |
| Workers' benefit payments                     | Maintenance, cleaning and lighting of yards and streets |
| Workers' dwellings                            | Jubilee presents to workers                             |
| Workers' control clocks                       | Sanitization and toilets                                |
| Social halls                                  | Department store, etc.                                  |
| Public bathing establishments                 | Church and schools                                      |
| Workers' expenses in individual petty amounts | Strength through joy                                    |
| Library and reading rooms                     | Hospital and milk kitchen                               |
| Convalescent homes                            | Air raid protection                                     |
| Enclosures for wind plants                    | Contributions   |
| Personnel protection                          | Contributions to societies and chambers                 |
| Dormitories and barracks                      | Drinking water supply                                   |
| Nurses' stations                              | Halls for gymnastics and play-grounds                   |
| Security services                             | Works council   |
| Social insurance for workers                  | Factory medical service                                 |
| Meal distributing establishments              | Factory news bulletin                                   |
| Shed for bicycles                             | Activities arranged by factory                          |

As to c) Expenditure for protection against fire.

This covers the expenditure for fire brigade equipment and fire extinguishing equipment, as well as premiums for insurance against fire and revolts, to be charged to the individual cost factors proportionately to the value insured.

On 10. Interest and Taxes.

In this category are computed:

- a) the interest for installations and stocks in the works
- b) the proportionate taxes.

( Page 9 of the original )

49 AJ

Re: a) Interest.

Every agency involved in the costs will be charged with interest for that portion of capital of which it has made use. The computation will take for a basis the condition as it prevailed at the beginning of a 3-month calendar period, with due consideration for the depreciation accounted for until such date.

The warehouse expenditure will also include an interest charge for the stocks on hand, likewise taking into account the situation as of the beginning of a three-month calendar period.

Interest for production in stock and for outstanding customer collections will be added to shipping expenses; the basis will again be the status as of the beginning of a 3-month calendar period.

The interest rate charged is 5% per annum. The differential amount which will be found when comparing such interest charges with outsiders' interest and discounts as they actually accrued for the Schkeppau works of the Buna Werke G.m.b.H., plus a 5% interest charge on own capital, will be computed as an excess or as a deficit in the cost of production item of the last six-month calendar period.

As to b): Taxes.

Taxes due on objects will be computed as they accrue actually. Property taxes will be distributed according to the purchase value of the buildings; trade licenses are computed according to the wage code; property tax; mortgage interest tax for industry indebtedness, and similar items, are all being computed according to the appropriate code.

On 11: Deterioration.

This provides for normal deterioration, to be charged to the plants every month, i.e. 1/12 of the estimated annual sum for deterioration of the installations which the plants are using.

A possible differential between the prorated amounts estimated in advance for deterioration and the actual deterioration figures established at the end of the year will be taken care of during the last six-month calendar period.

On 12. Credits for Contributions.

This covers the amounts carried forward as per bills exchanged between the works, to the extent that such amounts would not come under a different category of costs.

( Page 10 of the original )

50 AJ

D. Expenditure for Installations.

The item of expenditure for installations, as established in the works' accounting, is booked on the installation accounts and is also recorded in an inventory index, segregated according to objects.

Against the installation accounts are booked all investments for the site used for the erection of the buildings, of railroad facilities and other structures, for the purchase and erection of machines and apparatus, for the acquisition of transport vessels, of furnitures and vehicles needed to carry out, increase or improve the production.

Acquisitions of replacements - except for negligible items - are to be activated as a matter of principle while the remaining book value of the replaced installations - with due consideration of possible scrap value - is to be added to the cost of repair accounts of the works' branch to which the installation parts belong. Investments for large-scale repairs are to be distributed to several accounting sectors in an appropriate manner.

Expenses incurred for the 200 ton per month plant prior to the time when it is ready for operation - without computation of the individual objects against the investment capital - are booked as installation expenditure. This includes - especially according to paragraph 1 of the Contract - the compensation to be paid to I.G. for construction and operation expenditures, expenditures for provisional facilities during the period of construction, building interest, and the cost of putting the plant into operation. The same procedure will be followed as regards similar expenses arising by reason of the plant enlargement for a production of 2,000 tons of Buna per month.

The values of acquisition established according to the foregoing directives are the basis for determining the annual depreciation values which for each object covered by the investment capital begin with the year when the operation started. Objects which have already been written off are eliminated from further amortization. In the case of objects which in a properly operated establishment must be discarded before they are amortized the balance of the book value existing in the year when they were discarded must be added to repair expenditure.

The annual amortization rates which are determined by the values of acquisition are as follows:

( Page 11 of the original )

51 AJ

|                                     |    |
|-------------------------------------|----|
| Intervables                         | 0% |
| Buildings providing living quarters | 2% |
| Farm buildings                      | 5% |
| Factory buildings                   | 5% |
| Railroad facilities                 | 5% |



|                             |      |
|-----------------------------|------|
| Apparatus                   | 10 % |
| Transportation vessels      | 10 % |
| Furnitures                  | 10 % |
| Vehicles                    | 20 % |
| Installation extra expenses | 10 % |

For installation extra expenses which arose after the plant has been put into operation for 2000 tons of Buna per month the amortization rate is 20 % per annum.

#### E. Price for Calculation.

##### I. In the Economy Combine.

Within the economy combine of the Buna-Werke G.m.b.H., Schkopau Werke, with the Schkopau Werke of I.G. other principles will apply than for calculating prices with the Konzern works of I.G. outside of the economy combine.

In the economy combine the deliveries and contributions mutually made are to be billed at cost of production prices as they are obtained through the appropriate application of the directives for the cost of production of Buna, plus an addition for turn-over tax and export promotion expense, if such arise. The expense for jointly used streets, principal canals, social welfare and other general facilities, are to be apportioned in an appropriate manner.

If, within the economy combine, waste products (by-Products) are obtained the charges will be made according to the principles laid down under E II, 2 (transl.'s note: in the original E III is crossed out and corrected to read E II 2).

##### II. Outside of the Economy Combine.

###### 1) Deliveries made by I.G. Konzern Works.

###### a) Material purchase through the Konzern works.

Deliveries by Konzern works material which they themselves bought cannot be billed at a price higher than the purchase price plus the actual expenditure incurred in that connection, including appropriate additional charges for purchasing

(Page 12 of the original)

52 AJ

and storing. However, this price must not be higher than the price which the Schkopau Werke of the Buna Werke G.m.b.H. would have to pay when purchasing from firms outside of the Konzern.

###### b) Chemical Products of the Konzern Works.

Own products delivered by the Konzern works will be subject to the same restriction in that their price must not exceed the price which the Schkopau Werke of the Buna Werke G.m.b.H. would have to pay when purchasing from firms who are not members of the Konzern. In all other respects the prices are to be stipulated



in such manner that the lowest price will not be exceeded which at the time of the delivery would be charged to the Konzern works by any other customer in the country who is not a member of the Konzern.

By means of pipe lines nitrogen and hydrogen will be supplied by the Louna Works from the place of production, at prices which as yet are to be agreed upon. The cost for feeding lines, as well as for special expenditures made in that connection will be paid by the Buna Werke G.m.b.H.

Gas for heating and power, of 2350 thermal units (M.E.) per cbm (cubic meter) will be supplied by the Louna Works, at a price stipulated as of the point of production; this price as yet to be agreed upon. To this are added the expenses for blowpipes, for the drying of the gas, and for the pipes feeding the Schkopau Works; these costs are to be paid by the Buna Werke G.m.b.H.

Should essential changes occur in the factors which determine the prices referred to above, new agreements must be made relative thereto, with the consent of the Reich these prices will be effective as of the month following the one in which the agreement was reached.

a) Rough Brown Coal.

Rough brown coal supplied by Konzern works will be billed at 2 Reichsmark per ton, ex mines in Geiseltal; 2.10 Reichsmark per ton when the coal comes from other sections. These prices are understood free loading, ex mines.

Should a change occur in general economic conditions, - especially with regard to wages as well as public charges resting upon coal mining - which is so radical when compared with the time when the Contract was concluded that the prices agreed upon no longer are economical and, consequently, no longer appear reasonable, any of the contracting parties can demand an appropriate revision.

(Page 13 of the original)

35 AJ

d) Electrical Energy.

The current supplied by I.G. Konzern works via the central-German bus bar will be billed at the fixed price of 1.28 Reichsmark per kilowatt hour, free entrance feeding switch Dellnitz, in keeping with the agreement separately to be made on electric current supply.

2. Deliveries to I.G. Konzern Works.

Waste products and intermediary products of the Schkopau Works of the Buna Werke G.m.b.H. - to the extent that they are free for sale outside of the Konzern works - will be billed to the Konzern works at the market price, minus a saving in sales charges, if any. Should such products affect the I.G. production unfavorably a new arrangement will have to be made - with the consent of the Reich - which will be mutually beneficial to both parties.

If the products cannot be sold outside of the Konzern or if there is no market price such products may be sold to Konzern works within the scope of an orderly business management at a price which they would have to pay for purchases made somewhere else.

No increase in the cost of production of Buna is permitted because of additional investments to promote waste products and intermediary products used for other purposes.

F. Accounting for Proceeds.

I. Works' Proceeds.

The I.G. determines every three months the net proceeds obtained through the sale of Buna produced in the Schkopau Works of the Buna Werke G.m.b.H.

The net proceeds is found by reducing the gross proceeds obtained on bills for Buna deliveries by freight expenditures, price rebates, turn-over tax, if any, export promotion expenditure, as well as the compensation to which I.G. is entitled to cover expenses incurred on selling.

II. Establishment of Differentials

On a separate statement of accounting - to be made every three months -

( Page 14 of the original )

the net proceeds obtained for Buna will be shown and against it the cost of production for the same quantity. In this case statement of accounting not only the production is to be considered but also any change in stocks on hand, if any; thereby the differential amounts will be derived which will form the basis for settling of accounts with the Reich according to paragraph 101 of the Contract.

This settling of accounts with the Reich takes place on a six-month calendar period basis and is due within two months after each six-month calendar period of such trustee operation. For the adjustment the principles laid down in the Contract will apply.

CERTIFICATE OF TRANSLATION

I, Hertha G. Knuth, AGO No. X-046355, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of Document No. NI-882.

HERTHA G. KNUTH,  
U.S. Civilian,  
AGO X-046355.

END

TRANSLATION OF EXCERPTS OF DOCUMENT H. 1. 1.  
OFFICE OF CHIEF OF COUNSEL FOR THE CRIMINALS

Files  
dealt with

## Minutes

of the Technical Directors' Meeting at Frankfurt/Main-Hochst on 16 November 1936.

Attended by:

Hermann  
Lautenschlaeger  
Jacobi  
Jachne  
Kraenzlein  
Pfaffendorf  
Roth  
Steib  
Engelbertz  
Fehrle  
Hagenboecker  
Hilcken  
Krauss  
Landers  
Tampke  
Hirschol  
Schwamborn

the  
(part of time)

• • • • •

(page 7 of original)

Hirschel announces that synthetic rubber will be treated as a sales product as from 1 January 1937 and that, therefore, from this moment onward no laboratory and research expenses are allowed to be charged as expenses on new fields.

signature Hirschol

CERTIFICATE OF TRANSLATION

22 May 1947

I, ARTHUR MACDONALD, Civ. No.20 191, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of excerpts of the document No. NI-5908.

ARTHUR MCNAMARA

TRANSLATION OF DOCUMENT No. WI - 4626  
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES

Stamp:  
Special Delivery

I.G. LEVERHUSEN  
Management Department

13 January 1927

Director Dr. ter MEER

REGISTERED !  
confidential !

at present, Berlin  
Bristol Hotel

Dear Dr. ter MEER,

I once more want to put down on paper Lieutenant Colonel PHILIPPS' request - of which I informed you by telephone - and the discussion I had with him, since the means of understanding each other was not perfect.

While visiting us this morning to obtain material for a lecture which he will deliver Lieutenant Colonel PHILIPPS inquired why I.G. took upon itself the risk of a second rubber plant. I replied that as far as I had understood from you the Wehrmacht had demanded such a plant. Colonel PHILIPPS denied this quite emphatically and stressed that the Wehrmacht had considered even the increase at Schkopau from 200 to 2,000 tons as a risk; that it definitely did not welcome a second plant, considering it entirely imprudent, and that he, on his part, would do everything in his power, also with Colonel LOEB, to prevent the construction. I answered that you would be with GOERING's staff, tomorrow, to discuss matters pertaining to carrying out the construction which confronts us with tasks which for us, too, are almost impossible. He then requested that I call you immediately and ask you to receive Dr. HAGEMANN tonight or tomorrow morning in his stead, - before your visit to the raw materials staff - as he desired to emphasize once more this attitude on the part of the Ordnance and Ammunitions Procurement Office (Waffen und Munitionsbeschaffungsent). There must be, he said, someone on the raw materials staff who is interested in applying pressure as regards construction of this second plant. All persons otherwise interested are agreed that this risk will not yet be taken. I pointed out that some hasty prospects had probably been suggested to the Fuehrer; PHILIPPS replied that the Fuehrer thinks objectively and reasonably in such matters, that he would understand if one had to defer such matters. That his name is often being abused in these things.

Copy



TRANSLATION OF DOCUMENT No. NI - 4626  
CONTINUED

(Page 2 of original)

I.G. LEVERKUSEN  
Management Department

When having the noon meal and while reverting once more to the question of the raw materials staff, Colonel PHILIPPS said that the official on the raw materials staff who irresponsibly pushes matters concerning construction of the rubber plants is Dr. KRAUCH. He felt that for once I.G. should put a stop to this since it was in the interest neither of the Reich nor, above all, of I.G. He even added that Dr. ter MEER ought to "rep on the table" there. He authorized me to tell you all of this and even requested me to do it, and I am so doing herewith.

Best regards your

signed: KUEHNE

CERTIFICATE OF TRANSLATION

10 July 1947

I, Martha KNUTH, AGO C46 355, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of the document No. NI-4626.

Martha KNUTH,  
C46 355.

TRANSLATION OF DOCUMENT No. NI-6629  
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES

(From "The Four Year Plan" pages 261-263)

SECTION 5 : The Four Year Plan Page 261.

Dr. C. Krauch:

RESEARCH AND DEVELOPMENT

Tasks and Work of the Office for German Raw and Synthetic Material

The Office for German Raw and Synthetic Materials is responsible for it that in the shortest time imaginable the dependence of our Fatherland on foreign raw materials eliminated in all those fields in which this is possible with regard to the existing situation. The "given situation" of a certain field of raw materials can be recognized and evaluated by examining the state of the results of research and the state of the technical development of the processes applicable in this field. It is therefore the scientific and technical progress and the possibilities of development which limit the use and creation of new German raw materials and synthetics. The state of the technical development, the question whether a process can be applied immediately or how long its developments will take yet, determine the length of time to be taken for the work which will have to be done yet until the process can be put into practice. The time of the construction of the new production sites concerned must be added to this period of development. Thus for each field of raw materials and synthetics a "shortest time imaginable" results by which time it can be used in the German raw material economy. As the body responsible for the handling of the research and development questions of all the fields of raw materials except the part "industrial fats" for which a separate business group is planned - the Department III "Research and Development" was created within the Office for German Raw and Synthetic Materials.

In order to start the practical solution of the tasks of this Office and thereby also the question of the supply of raw materials, a number of preparatory tasks arose which had to be dealt with immediately. First the situation in the various fields of raw materials had to be ascertained in rough outline what technical processes were available for the production of German raw materials and synthetics and what processes were being successfully developed or would appear to be available for practical use in the near future. Furthermore, it had to be ascertained whether by these processes the quality and price limits which are customary in German economy in these fields could be maintained and finally it had to be decided roughly whether and to what extent the Office wanted to apply these processes in the various fields of raw materials and synthetics. The decisions on this were in each case dependent on the national-economic importance of the matter concerned.

This work had to be done as fast as possible in order to prepare the material and data for decisions on new constructions of plants for the production of raw materials and synthetics. The clarification of these questions was especially urgent because the time needed for the starting up which was necessitated by the construction of the plants had to be reduced as much as possible. All this would never have been possible in the time actually spent for this purpose if all participating parties, party agencies the authorities and especially the German economy with its wide industrial experience, had not done their utmost in cooperation with the Office.

After short preparations in the various raw materials fields which made a survey of the situation and the requirements possible, the leading

technical and scientific experts of industry and economy as well as of science were consulted about the various subjects. Thus in the shortest time imaginable a clear picture of the purely technical requirements of raw materials in the various fields and of the bottlenecks existing there, as well as of the technical and economic possibilities for solving these problems practically was obtained. It was possible to clarify the situation quickly to such an extent that a definite technical extension plan for the Office resulted, for each of this fields though only in outline for the time being. By making use of specialists who through years of experience are thoroughly acquainted with the various very complicated fields - which is the principal working procedure of Department III - completely unprejudiced and clear view of the situation could be provided in the shortest time possible. At the

(2nd page of original)

Page 262

The Four Year Plan

Section 5

same time as this purely technical work and in close consultation and mutual exchange of ideas with various agencies of the party such as the Gau management, the National Socialist Office for Technical Science and the offices of the German Labor Front, as well as the Reich authorities, negotiations were going on to incorporate the economic suggestions and wishes of these offices into the program and to evaluate them for development.

Whilst the work which had to be done immediately was under way, the Office ascertained which processes could be used immediately for the Four Year Plan. In examining the processes which are still being developed, comparison and weighing of the sometimes diverging opinions of the industries and personalities already using these various processes was often necessary.

Through this close cooperation with practical technics which will, after all carry out the reconstruction and operation of the new German raw materials industry on the basis of its knowledge experience and capacity, in the National Socialist German Economic Development program, close connections and confidence between technical science and the Office for German Raw and Synthetic Materials were established which have already proved to be an excellent basis for all further work. Through this the consciousness of all parties involved as to their responsibility for the progress in their fields, and therefore for the success of the Four Year Plan, has been increased and fully brought to bear.

Along with this work a strong staff nucleus was formed, consisting of carefully chosen and best-qualified men of science and industry all chemists or engineers.

Meanwhile the immediate tasks have been carried out. The result of this work was an expansion plan for every field of raw materials, which contained the technically possible and economically recommendable measures, eliminated all useless or economically untenable processes and deliberately avoided uncertain changes for the future. The palpable projects which were the first job have become the basis of the industrial section within the Four Year Plan. As a result of the fact that in this work - for the first time a technical minded agency closely connected with the Party and the Government - the research and development questions have been handled for all the fields of raw materials it was possible to develop a plan for the industrial production of the new German raw materials and synthetics, coordinated with the various fields and taking into consideration the extensive interlocking in the field of chemical syntheses, particularly, which corresponded to the directives given by the Fuehrer's Plenipotentiary for the Four Year Plan.

75



In all the work and examinations carried out for the solution of the immediate tasks, the German raw material situation as conditioned by nature itself appeared again and again: the German soil is not especially rich in ores and mineral oil if one compares these German deposits with the richness and quality of the famous deposits of the world. We do own various extensive ore deposits but previously economy mainly did not exploit them because the world market supplied these metals more "economically". Here we have to make good what was missed and have to develop or expand the processes for the exploitation and refining of the poorer German ores.

As far as agricultures is concerned, we can of course not plan to produce cotton or rubber for instance on our own soil. Apart from the fact that with a few exceptions our climate does not permit the growing of such raw material plants, Germany needs the crops of her fields for food. The German soil is however rich in coal and salts. We have the minerals of the mountains, the wood of the forests and finally water and air at our disposal. As the German soil offers us only this defined selection of industrial raw materials in practically unlimited quantities, an considerable part of the attempts to cover the German requirements of raw materials on an indigenous basis leads us again and again to the question: Can we produce synthetically the raw materials and synthetics necessary for the German economy out of these treasure of the soil which are practically available in unlimited quantities such as coal, salt, wood, water and air?

Thus the solution of the problems of German raw and synthetic materials becomes for the greater part the task of chemical synthesis and so thus that of the German chemist and technician.

The execution of the new construction projects resulting from the solution of the immediate tasks, that is, the practical execution of the program for new construction as well as the production and refining of German ores after the termination of the work of Department III, will rest in the hands of the various main special departments (Hauptreferate) of the Office, which were designed for the practical execution of this work and established for this purpose. The main task of the Department "Research and Development" remains the further control of the state of the scientific research and technical development in each of the various fields of raw materials. This work, which is carried out in close cooperation with the other main special departments and departments of the Office concerned, results in a steady improvement/supplementation of the existing opportunities and plans for the individual fields of raw materials. The Department III continues to work for each field in such a way that after clarification of the scientific, technical and, in rough outlines, also the economic bases of the respective proposals or processes it pronounces the various plans and projects as ready for execution. After expert appraisal has been given it then passes them on to the other branches of the Office for practical realization. Likewise it gives scientific and technical appraisal of the supplementary projects proposed by the agencies executing them and continues to keep an eye on the further development and results of these projects.

The plans and opportunities of the new plants for the production of raw and synthetic materials in the individual fields are fixed in outline. It is hardly to be expected that at least at first, any considerable changes caused by unexpected results of research and development will occur in the Four Year Plan.

Though the construction of new plants for the production of German raw and synthetic materials is the most striking measure of the Four Year Plan which must be started immediately and though the research and development



work necessary for this can be considered as practically finished, a further additional and supplementary task arises which in the long run is not less important. It lies in the systematic examination and study of the various special fields to promote the change-over of the requirements for materials which cannot be produced in Germany or can only be produced synthetically with difficulties here, for instance from metals to new substitutes which can be produced synthetically. For instance, according to custom, certain metals have been used for the construction of machines for decades. The introduction of organic synthetics produced the result which even surprised the designer often that by it technical progress was made which for instance resulted in a reduction of power requirements of motors and increased durability of the ball-bearing by the use of synthetic ball-bearings or in considerably increased stability and durability in the case of pipelines for chemical purposes. Thus it is shown that in technical science often

(2nd page of original)

Page 263

The Four Year Plan

Section 5

the use of material depending on foreign imports is continued in reality it appears that exchange measures are feasible without difficulty and mean technical progress.

These further steps towards the solution of the question of German raw materials such as the change-over of requirements for foreign raw materials to German raw and synthetic materials as well as the fixing of the final target, that is, to what extent the independence from foreign imports in each field concerned is to be demanded necessitates a far more thorough study of each matter than was possible with regard to the immediate tasks. Department III has again been charged with the handling of these further tasks.

The preparatory work and current research and development work in the individual fields provide the Office for German Raw and Synthetic Materials with knowledge of even the most detailed ramifications of the raw material requirements of the individual fields. In a short time a very detailed picture of the flow of German raw materials in the various fields of German economy will be available as a result of this work. On the basis of the knowledge of this flow of raw materials, the questions of the change-over of requirements to substitute materials which actually tend to be questions of organization, will become clear in detail. The proposals for organizational measures which are developing in this field will be examined as to their technical feasibility in accordance with the preparatory work for the construction of new plants for production and will be carried out in cooperation with the other competent authorities and branches of industrial economy.

This work of substitution requires the very special and understanding cooperation of all circles for its execution. Only if all our fellow-Germans are convinced of the importance and significance of the measures which are being developed here and only if they are willing to accept gladly these changes in custom or requirements for the benefit of the nation which are of no significance to the individual compared with the common objective, can the work of substitution get its true practical value on a larger scale. Therefore, these measures will have to be prepared especially carefully and in the closest consultation with the authorities concerned as well as with industry and economy, because these changes and conversions cannot help but affect the economic life of the field concerned to a greater or lesser extent. As with the taking up of production of new raw and synthetic materials the quality- and price limits of the field will have to be carefully considered when substitution measures are introduced.

TRANSLATION OF DOCUMENT NO. NI - 6629  
CONT'D.

To ascertain the flow of the German raw materials, a considerable amount of statistical data must of course be used. It is not so much the ascertaining of past conditions but rather the use of the statistics according to their final objective for the evaluation of future development by constant active contact with the branches of economy concerned that counts.

For the handling of the various special fields of raw materials, comprehensive groups divided into various special departments (Sachreferat) have been created within Department III. The group "Exhibitions" should be particularly mentioned in this respect with regard to the exhibition "Creative People" opened on 8 May 1937 in Düsseldorf, at which the new raw and synthetic materials and their use are shown in an especially clear way. Exhibitions should provide knowledge on as broad a basis as possible. Therefore exhibitions of synthetics have an increased importance today. Because the Office knows the requirements and importance of the various synthetics best it has been entrusted with the supervision and accomplishment of all exhibitions of synthetics in Germany.

While the groups and sub-departments stated by personnel specially trained in the various specialized fields do only the work necessary for the attainment of their fixed and unequivocal objective, two more special groups have developed within the Department in the course of the work. Thousands of Germans have complied with the request of General Goering and are actively participating in the work for the completion of the Four-Year Plan by proposals and suggestions. For the processing of these suggestions sent in, the amount of which had not been anticipated, the group "Inventions" has been created within Department III. This group screens and processes all these proposals preliminarily. Though naturally a great part of these proposals cannot be considered for practical exploitation and have to be rejected after examination, a considerable amount of valuable and often surprising suggestions which require detailed processing, are among these data. This processing is being done by a number of generally trained chemists and technicians in close consultation with the groups of the Department in charge of the various matters. In each case the proposal is handled jointly by the various experts and the testing agencies until a final clarification is reached. No sender of suggestions will remain without reply giving detailed reasons, be they negative or affirmative. Each reply of an affirmative nature contains positive suggestions for the further development of the work of the sender. The legal and patent questions, questions of protection of inventions etc. which often crop up are, also being handled by the group "Inventions" together with the other competent branches of the Office and other authorities.

The second special group has the designation "Institutes and Experimental Agencies". It has the task of joining and winning all staffs of colleges, of state and private research institutes and of experimental agencies in the field of purely scientific research for the great objectives of the Four Year Plan. This task shall, however, not be interpreted to mean that from now on a fixed program for the work of science and research will be laid down. It is not in the least intended to curb the independence of pure research, the past results of which after all support present technical developments. Research should, however, be made familiar with the future tasks in the sphere of the German raw materials and aware of the objectives of this development. Thus science on its part too can show everyone who is occupying himself with the acute questions, out of his own sense of responsibility, the means and opportunities for the use of their work the Four-Year Plan.

It is furthermore the task of the group "Institutes and Experimental Agencies

TRANSLATION OF DOCUMENT NO. NI - 6629  
CONF'D. /

to create systematically a circle of experts and scientists for research tasks in the various special subjects so as to be able to assign them at any time to the examination and appraisal of processes or proposals which are submitted to the Office if necessary. In this way scientific problems which require immediate and urgent processing can find the channels to that agency of German research interested in their solution in a very short time.

Thus the department "Research and Development" of the office for German raw and synthetic materials is endeavoring to put the state of the scientific research and technical development into a tangible form for the construction of new plants for the production of raw materials and synthetics and for the execution of substitution measures in the various special fields, in close collaboration with science and technical science. It is also trying to guide research and development towards the great tasks of German raw material economy.

CERTIFICATE OF TRANSLATION

I, DOROTHEA L. GALEWSKI, ETO No. 34079, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of Document No. NI - 6629.

3 July 1947

DOROTHEA L. GALEWSKI  
ETO. No. 34079.

( E N D )



Preliminary remarks.

The purpose of the following activity reports is to give an idea of the work done by the Ausbaureferat (development sub-sections) entrusted to me - in the Amt fuer deutsche Roh- und Werkstoffe (Raw Materials and Synthetics Office) and in the Reichsstelle fuer Wirtschaftsausbau (Reich Office for the Development of Economy) - whose task it is

- 1) to handle and control the expansion of production and processing of Buna as well as of the necessary by-products (for instance soot),
- 2) to further and enlarge plants producing and processing plastic material,
- 3) to supervise the development of chemistry as called for by the general requirements resulting from the broadening of the Four Year Plan in all its aspects.

Concurrently herewith the report is designed to give a picture of the present situation as well as of the future development.

Having had an opportunity, as an associate of Dr. KRAUCH, to attend in the summer of 1936 discussions with the leading men of industry and having thereby obtained a global concept of the raw materials situation and of the scope of possibilities for the production of indigenous plastic materials, these investigations were incorporated in the report of the Raw Materials and Foreign Exchange Staff of 15 August 1936, submitted to Goering, then a General:

(page 2 of original)

"Proposals of the Raw Materials and Foreign Exchange Staff to ease the demand for foreign exchange, and to assure for German economy an indigenous raw materials basis."

After the announcement of the Four Year Plan by the Fuehrer, on the Reichsparteitag (Reich Party Assembly) 1936, the Raw Materials and Foreign Exchange Staff was made the German Raw Materials and Synthetics Office, and Lt. Col. ICEB, the office chief at that time, asked me to take over within the frame of the then existing organization the Durchfuhrungsreferat (compliance sub-section) IV, 4. In the course of the 2-1/2 years' span which the development covered, including the reorganization as of February 1938 of the German Raw Materials and Synthetics Office into Reichsstelle fuer Wirtschaftsausbau (Office for Economic Development), I supervised in the Reich Ministry of Economics the Ausbaudezernat (Development's Administrative Department) A 8/9 and at the same time took over the management of the Referat II Chem. 3 (rubber and plastics).

In the development work here carried out, such working associates as joined the Durchfuhrungsreferat (Compliance Sub-Section) IV, 4 and the Ausfuhrungsdezernat A 8/9 in the course of time, have participated to a large degree.



(page 2 of original cont'd)

The work which was being carried out within the frame of this organization for the development of the chemical sector and more particularly for the production and processing of Buna and plastics, was considerably affected by the generally known difficulties encountered in securing the necessary building materials such as iron, lumber, cement etc. The ardent disputes which arose about the quotas of the German Raw Materials and Synthetics Office (Amt fuer Deutsche Roh- und Werkstoffe) and Reich Office for Economic Development (Reichsstelle fuer Wirtschaftsausbau) repeatedly resulted in reactions and repercussions basically affecting the development speed. We refrain from submitting proof and reason for these things in detail, because they are only too well known, generally.

(page 3 of original)

It seems to me more to the point, however, to state in general that because of the lack of synchronized cooperation in the official set-up as a whole, the possibilities of making German economy independent of materials which require foreign exchange, replacing them by German raw materials of equal if in part not even superior value have up to date in no measure been fully probed. The reluctance in official circles had the result that no united front against industry could be created and with the well-known aversion and conservatism on the part of designers and engineers it was extremely difficult to obtain admission into economy for a proportionate flowing-in of new raw materials. Only when there is uniform coordination between the development offices and the offices marshalling the raw materials, i.e. in the first place the Control Authorities (Ueberwachungsstellen) and the Referate of the Reich Ministry of Economics and when, here too, the same courage exists for assuming the responsibility for the use of the new raw materials will it be possible in the future fully to exploit substitution measures as they occur. Up to date this has by far not been achieved. The surveys here following, on the individual fields which are being worked on by the Referate I am entrusted with, have been compiled with the far-reaching assistance of competent specialists (Sachbearbeiter).

(page 4 of original)

#### Buna Production.

Germany's utter dependence on deliveries of natural rubber from abroad caused us, at the very beginning of the preparatory work for the Four Year Plan, to direct special attention to the production of an equivalent substitute material, namely synthetic rubber - called Buna.

The development work which dates back as far as 1909 - 1912 and which already during the war had led on a smaller scale to a temporary production of the so-called synthetic methyl-rubber, had since 1926 made considerable headway because of the work done by I.G. Farbenindustrie, and as early as the middle of 1936 we already planned to establish as an initial step a large-scale experimentation plant having a capacity of 100 - 200 metric tons per month.

The work which had been taken up by the former German Raw Materials and Synthetics Office in the production of Buna followed from the outset the principle of establishing production facilities on an essentially larger scale.

(page 4 of original cont'd)

In the proposals made on 15 August 1936 by the former Raw Materials and Foreign Exchange Staff (Richtoff- und Devisenstab) to ease the pressure of demand for foreign exchange and to assure for German security the basis of domestic raw materials it was contemplated to suggest the immediate establishment of two large plants for a capacity of 2000 tons per month, each, and thus, if at all possible, a 100% coverage for mobilization rubber requirements. This figure was still based on the rubber consumption of the year of 1935 which amounted to approximately 65 000 tons.

(page 5 of original)

Taking into consideration the Reich government's program for printing mechanization, a more extensive proposal was soon prepared, which projected for the synthetic rubber production a total of approximately 100,000 tons in round figures, to be obtained in 4 plants, each for an approximate capacity of 25,000 tons per year.

The processes available for carrying the production into effect had in many respects not yet been tested, and their technical functioning was to be studied first in the large-scale plant at Schkopau which has a capacity of 200 tons per month. To construct the four plants mentioned for a scope as large as that involved, therefore, a rather considerable risk from the very beginning.

In addition, there existed all the questions which were to be considered with regard to Buna processing, in which connection it is particularly note-worthy that because of the position taken by H.M. (Army Ordnance Office) the development of the so-called Buna N - now called Perbunan - was being pushed before anything else and that experiences derived from H.M. tires concerned primarily this basis. In spite of that, it was decided, in the beginning of 1937, to base the future development, not on Buna N but on Buna, because I. G. Farbenindustrie purported that for this product only it had control over polymerization processes on a technically reasonable large-scale scope. The expansion followed the so-called four-stage process by way of acetaldehyde, aldol, butadiene, resulting in the mixed polymerisate with styrol, i.e. Buna S. The broad aspect of the so-called two-stage process was also studied, the development of which was diligently pursued on a divinyl acethylene basis, making use of the experiences of the firm of Dupont. The development at a later stage showed that the expectations held out for this process failed to materialize.

In chronological order the expansion of the Buna production developed somewhat as follows:

The construction of the large-scale experimental plant in Schkopau began in the early part of 1936. At the end of 1936 the decision was made

(page 6 of original)

to build the Buna plant for a capacity of 2 000 tons per month, that is 24 000 tons per year.

At the beginning of 1937 the project for enlarging Buna was extended to 100 000 tons of Buna. In mid-1937 the location of the second Buna plant was initiated and negotiations relative to the responsible agency (Fraigor) and the supply of raw materials. In the spring of 1938 the construction of the second Buna plant was begun for which the capacity was, initially, also projected for 24 000 tons per year.

(page 6 of original cont'd)

Negotiations relative to the construction of a third Buna plant have also been in progress since the middle of 1937, and in March 1938 led to a declaration by the rubber industry to establish the third plant jointly with I. G. Because of the extraordinarily great difficulties in assuring the iron and labor requirements which were in the first place needed for the construction of the West-Wall, the project for the third Buna plant was for the time being postponed, in May/June 1938.

At the same time it is decided to enlarge the capacity of the Buna plant at Schkepau from 24 000 to 40 000 tons per year, and that of the Buna plant at Huels from 24 000 to 30 000 tons per year, this to permit tentative postponement for the construction of the third Buna plant, as the latter plan calls for less iron and quite considerably less labor.

Because of developments in rubber consumption in the meantime, and especially in the light of the industrialization of the Sudeten Territory, the problem of a third Buna plant is once more discussed in November 1938. After careful examination of inherent difficulties and because possibilities for procuring iron and labor are steadily becoming more complicated, it is decided, in agreement with the Reich Ministry of Economics, to proceed with the projected total expansion to 100,000 tons only for the two plants at Schkepau and Huels, respectively, raising the capacity of Schkepau to 60,000 tons and that of Huels to 40,000 tons.

(page 7 of original)

I.G. Farbenindustries first proposal was to carry out this extension according to a new process, the so-called Reppe-process - constructing the butadiene molecule out of two Formaldehyde molecules and one acetylene molecule. In 1939 the decision was made after all to select the four-stage process for the entire expansion of both plants, because the technical development of the Reppe process has not as yet sufficiently advanced.

As regards the Buna S type, developments since mid-1938 have shown interesting progress. On the basis of investigations made by I. G. Farbenindustrie and by Continental the large-scale test of a Buna S type with 40/50% Styrol was initiated, which was first referred to as Levulkan and which today is being called Buna SS. As the opinion expressed was generally favorable, it was decided in April 1939 to carry through the first expansion stage at Huels, approximately 15 000 tons per year, for the Levulkan type.

Studies made of the various chemical reactions led to considerable progress for all phases of the process. Thus it became possible, very soon after the first planning, to refrain from installing six carbide furnaces as originally proposed and to reduce their number to four.



(page 7 of original cont'd)

The spirit which in the Buna process is obtained by necessity, and which originally had a ratio to Buna of 1 : 1, could be reduced to 4 Buna : 1 spirit. Furthermore, there was also the development of Kruemel (crumb)-Buna into Buna-Fell (hide) which after flocking can be produced on a paper machine in a continuous process and stripped.

We refrain from going into details regarding all the difficulties encountered in the course of building (allocation of iron, lumber etc.) and the reverses which the building project suffered during individual periods by reason of the measures taken as dictated by higher-level points of view.

(page 8 of original)

Since January 1939 the production of Buna could be gradually raised from 4 - 5000 tons per month in round figures to 20000 tons per month in July so that full production for the first stage of expansion has thus been reached. The further expansion and the quantities to be expected can be seen from the following table 1):

Table 1)

Buna-expansion

| Plant                                | Date fixed for completion |
|--------------------------------------|---------------------------|
| 1) Buna plant Schkopau               |                           |
| expansion to 24 000 tons per year    | mid-1939                  |
| " " 40 000 " " "                     | end 1939                  |
| " " 60 000 " " "                     | fall 1941                 |
| 2) Chemical plants Huels             |                           |
| expansion to 15-18 000 tons per year | mid-1940                  |
| " " 40 000 " " "                     | fall 1941                 |
| 3) Buna III plant                    |                           |
| expansion to 40-50 000 tons per year | mid-1942                  |

Table 2) gives a survey of the capacities:

Table 2)

|          |                      |
|----------|----------------------|
| mid-1939 | 24 000 tons per year |
| end 1939 | 40 000 " " "         |
| mid-1940 | 55 000 " " "         |
| end 1940 | 55 000 " " "         |
| mid-1941 | 55 000 " " "         |
| end 1941 | 100 000 " " "        |
| mid-1942 | 140-150 000 " " "    |



(page 9 of original)

Table 3) shows the production up to now:

Table 3)

figures in tons)

|              | 1936 |     | 1937  |     |       | 1938  |     |       |
|--------------|------|-----|-------|-----|-------|-------|-----|-------|
|              | Buna |     | Buna  |     |       | Buna  |     |       |
|              | S    | N   | S     | N   | Zahl. | S     | N   | Zahl. |
| Schkepau     | -    | -   | 2039* | -   | 618   | 3770* | -   | 841   |
| Leverkuseu * | 350  | 124 | 232   | 398 | -     | 91    | 658 | -     |
| Total        | 350  | 124 | 2322  | 398 | 618   | 3861  | 658 | 841   |

\* large-scale experiment plant

#### 1939

All building work in the two Buna plants was carried on according to plan. The difficulties pointed out in the report covering 1938 have become considerably more pronounced in the year of 1939 and in the first half of the year of 1940, and have increased because of new ones. This aggravation cannot be traced back merely to the outbreak of the war in the meantime; rather did it begin already before that time and it is caused, on the one hand, by Germany's extraordinary shortage of raw materials, which was bound to become more serious still as a result of the numerous new constructions which were undertaken and, on the other hand, by the industry's overstraining building activities, altogether carrying it to the very breakingpoints of the capacity of the entire national economy. To the known difficulties of obtaining in opportune time supplies of iron for the building project, an increase shortage of lumber non-ferrous, metals, fuel for construction machines, and, particularly, construction workers and fitters was more recently so that it became necessary to employ on the building sites not only German workers but also foreigners, such as Slovaks, for instance, and others. Meanwhile difficulties arose

(page 10 of original)

in providing means of transportation which always, however, became evident for a short period of time only.

As compared with former planning, expansion in the individual plants underwent changes as follows:

#### 1) Buna plant Schkepau.

The total capacity is to be 60 000 tons of Buna S per year, as heretofore. For the production of the quantities of acetylene required for Buna and for the production departments in the meantime established at Schkepau for plastics and other intermediary products, a total of 6 carbide furnaces, of 25-30 000 kw each, are now to be set up. This calls for the construction of a new independent power plant having approximately 30 000 kw. This decision was made in mid-1939.

(page 10 of original cont'd)

In compliance with a wish of Schkopau, the approval was given in February 1940 to equip the carbide furnaces 5 and 6, which were to be newly installed, with Seaderberg electrodes of which the Schkopau Buna plants expected an essential improvement for their products because the cross section formation of the electrodes provides for greater latitude than is the case with electrodes preliminarily treated for heat resistance.

As a result of the difficulties arising in securing the needed linseed oil fatty acid one started experiments at Schkopau, upon the suggestion of the Reich Office (Reichsamt), to exchange the linseed oil fatty acid necessary for the polymerization for some product made in Germany. It seems possible to effect an exchange of approximately 50 % of linseed oil fatty acid against the same quantity of fatty acid derived from the first runnings obtained in paraffin oxidation. Experiments, however, have not yet been fully concluded as regards processing properties of Buna types polymerized with fatty acid derived from first runnings. In this connection it should also be pointed out that for the time being sufficient quantities of

(page 11 of original)

fatty acid derived from first runnings cannot as yet be made available for this purpose.

In all other respects the four-stage process has continued to develop with extraordinarily promising results so that I. G. Farbenindustrie was in a position to reduce the selling price of Buna S to 2.30 Reichsmarks per kg, effective as of 1 April 1940. In April, this year, I. G. was also in a position to submit to the Reich agencies a proposal for modifying the Buna agreement, the most striking characteristic being the renunciation of a sales guarantee for Buna.

## 2) Buna plant Huels.

The total expansion in capacity provides at present a total of 40 000 tons of Buna per year, of which approximately 15,000 tons per year are Buna SS, the balance being Buna S. It is also proposed that the chemical plants at Huels are to supply I. G. Farbenindustrie, Leverkusen, with the butadiene and styrene quantities required for a total production of 6 000 tons of Buna per year which are to be used for the manufacture, now under way, of special types of Buna. The gas required by Huels for the final stage of expansion will be covered by the plants at Schalven and Eschel in the form of hydrogenation waste gases, Auguste Victoria in the form of coke gas, and Gelsenberg also in the form of Hy-residual gas. To enable the latter plant to make such supplies available it is necessary to change over the heating system for its coke plant from Hy-residual gas to coke waste-gas. The aid needed for this work was vigorously encouraged by the Reichsamt.

## 3) Buna plant Leverkusen.

Within the scope provided by the experiment plants in Leverkusen I. G. Farbenindustrie has so far always produced special products, such as Buna N and the discolorization-proof types, as well as a special type of Perbuna manufacture. Because an ever increasing demand

(page 12 of original)

for Buna of such special types becomes evident already it was decided to establish a polymerization plant at Leverkusen, for an experimental capacity of 150-200 tons per month, instead of 500 tons per month in round figures. It is tentatively being planned to have this plant do predominantly Buna N work. Products such as butadiene and the mixed polymerization components are to be supplied, butadiene to come from Huels.

4) Buna III plant at the I. G. factory Rattwitz, near Breslau.

In the course of the year of 1939 the rubber consumption had so much increased that the quantity of 100 000 tons of rubber per year was reached for the first time. Notwithstanding wartime conditions it was therefore decided also to proceed with the construction of the third Buna plant for a capacity of 30 000 tons of Buna per year thus to permit prompt handling of the increase expected to continue in the consumption of rubber. After most careful consideration it was decided to make the third Buna establishment the basis for a new big plant in which preparatory to further developments in plastics, the acetylene chemistry is at the same time being promoted in various big plants.

It was furthermore planned to produce butadiene in the third plant according to the Reppe process.

On 10 November 1939 a meeting for the foundation of the new plant took place at the Oberpraesidium in Breslau, with all authorities concerned participating. In the spring of 1940, the period of freezing weather being over the first work was begun in the Rattwitz territory.

.....  
CERTIFICATE OF TRANSLATION  
OF DOCUMENT No. NI-8833

18 July 1947

I, HERTHA C. KNUTH, IGA # X046 353, herewith certify that I am thoroughly conversant with the English and German languages; and that the above is a true and correct translation of the document No. NI-8833.

HERTHA C. KNUTH  
IGA # X046 353

(Cover Page)

"The Rubber Industry within the framework  
of the Four Year Plan."

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Seal of the  
Reich Office for Economic Development

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.....  
(page 4 of original)

A. Introduction.

Gentlemen:

In the series of lectures on special fields I propose to deal today with general directives for our rubber policy. Considering the importance of the subject, I am glad that you have followed my invitation and I must thank you for having come in such great numbers.

B. The Development of Demand.

Within a few decades Rubber has become one of the most important raw materials in the economy of the world. The skill of the natives of South America in producing articles for daily use from the juice of an uncultivated tree, attracted the attention of the Europeans and induced them at the same time to try to eliminate the disadvantages which marked these utensils made from natural rubber. The discovery of the possibility to vulcanize this new material, natural rubber, was a milestone in the development of rubber consumption. The British recognized the value of Latex very early and spared no effort in turning this raw material to their advantage and that of their economy. Gentlemen, you all know under what difficulties the English at that time succeeded in obtaining rubber-seeds to build up a rubber production independent of foreign countries.

1. World Production and World Consumption.

At the beginning of the World War uncultivated rubber trees still accounted for the bulk of rubber production. As you will see from diagram 1, the cultivation of rubber-plants in plantations had progressed so far during and after the war that the part played in total rubber production by uncultivated rubber

Diagram  
1



TRANSLATION OF EXCERPTS FROM DOCUMENT No. NI-7622  
CONTINUED

(page 4 of original, cont'd)

(Page 5 of  
original)

became insignificant. Further developments, however, led to such an over-production of natural rubber that a control of the production became necessary in order to prevent excessive alterations in the price of this material. The British tried to effect a control of rubber production with the aid of the Stevenson Plan, which was implemented in November 1922 - at a time when Great Britain controlled about 71% of world rubber production. At first they succeeded in increasing rubber prices by curtailing production. This success was, however, only temporary, mainly for the following reasons. For one thing production and exports from Netherlands East India considerably increased during this time on account of the favorable price level; for another reclaimed rubber was increasingly used, especially in the United States of America and finally, the technical execution of the plan met with difficulties, so that it was withdrawn in 1928. There was an ever increasing glut in the rubber market, so that the price of rubber dropped to a level which had not been thought possible hitherto. Although one had learned in the years of the crisis to produce rubber at a cheaper price - own cost prices were in some cases reduced by 50% - only a few plantations, which were particularly efficiently run, managed to cover production costs which had been cut to the absolute minimum, while nothing was left over for depreciation and interest. The majority of plantations, however, worked at a constant loss. This situation induced the rubber producers to agree to a new control of production. The main problem consisted in the imposition of such regulations on the native rubber of Dutch East India, which was difficult to control. Native rubber is the name given to rubber which is produced by the natives in small individual enterprises and which in 1934 accounted in Dutch India to 42% of the total production. Since 1 July 1934 an international production control has been arrived at which affects about 98% of all natural rubber producers. This new regulation had a threefold aim: Reduction of the world stocks to a normal level, balancing supplies with demand

(page 6 of original)

and maintenance of an adequate price level, safeguarding the producers' profit.

Diagram  
2

Mechanization and rearmament have, of course, brought about in all countries an increase in rubber consumption. If you look at the rubber consumption of the world on the diagram, you will find that rubber is one of the few raw materials the consumption of which has continually increased in spite of several economic world crises. It is unlikely that this development will be cut short in the near future. In 1937 Germany's share in world consumption amounted to approximately 10%; but it should be mentioned that German consumption has been doubled within a few years.

(page 6 of original, cont'd)

The diagram shows that Germany's share in the world consumption amounted to approximately 6% in 1925. The diagram shows at the same time, however, that Germany's disappearance from the ranks of purchasers of natural rubber cannot seriously disturb the world market. Since as has been mentioned already, a future increase in rubber consumption is to be expected, Germany's disappearance from the ranks of purchasers of crude rubber can, therefore, influence the extension of the crude rubber production for one or two years at the most, i.e. the producers of crude rubber will have to continue producing at the same rate when Germany ceases to import crude rubber.

Up to now, we have been absolutely dependent in the German rubber industry on the international rubber trade, which meant that - especially during the last years of shortage of foreign exchange - Germany frequently had to buy at unfavorable prices. This dependence on foreign countries is eliminated by German Buna Production. Before long, we shall be in a position in Germany to produce ourselves the necessary quantities of rubber even if consumption should increase considerably.

At this point I should like to mention, as I have done in previous lectures, that - in order to

(page 7 of original)

give a comprehensive description of the tasks and problems of the rubber industry - I must refer to matters which are to be considered confidential. That part of my lecture which is meant for the public, will before long appear in a printed booklet and sent to you. I ask you not to disclose to other circles any facts not contained in the booklet.

## 2. German Consumption and Estimate of future Demand.

Diagram

3

Diagram 3 shows the development of rubber consumption, in kilograms, per head of the German population. The figures for the year 1937 and the provisional target have been estimated. Although there has been a considerable increase in the population of Germany from 1925 to 1936, rubber consumption per head of the population during that time clearly shows an increase of 100%.

Diagram

4

In 1936 approximately 72,000 tons of raw rubber were used in Germany. From these quantities of rubber, using approximately 120,000 tons of fillers and a large quantity of semi-finished products, a large variety of rubber goods were manufactured. Diagram 4 shows the quantities of finished goods, subdivided into groups of goods. The importance of the separate groups of goods for the German economy may best be seen from the quantities produced by the various groups of goods. In 1936 the following were produced in Germany:

( page 7 of original, cont'd )

86.500 tons vehicle tires and accessories  
41.000 " industrial soft rubber goods including  
adhesives  
2.100 " surgical soft rubber goods  
900 " synthetic rubber  
2.000 " toys and sports equipment  
11.700 " heels and soles  
12.000.000 pairs of rubber-shoes  
4.900 tons rubber goods for dress-making  
16.500.000 cm rubber-coated materials  
1.100 tons rubber-thread  
15.000 tons mixtures for the cable-industry including  
the production of insulating tapes

( page 8 of original )

8.000 tons hard rubber goods  
2.700 tons sundry rubber goods.

The lower part of each column in diagram 4, which is specially marked, shows the amount of rubber required to produce the corresponding quantities of finished goods. It is interesting to note in this connection that the manufacturers of groups of goods such as industrial soft rubber goods or heels and soles have produced a large quantity of finished goods with comparatively small quantities of natural rubber. A fact of the significance of which I shall refer later on.

At the same time the diagram shows that tires including accessories accounted for approx. 55% of the total German rubber consumption in 1936.

In order to be able to make as accurate an estimate of rubber requirements as possible for the provisional target of the Four Year Plan, one must scrutinize the development of each group of goods.

The mechanization program of the Fuehrer is still being expanded. Up to now the mechanization program has been furthered mainly through the construction of autobahnen and by a taxation policy favorable to motorists: the Volkswagen will give a further fillip to mechanization. The appearance of the Volkswagen in the German market will entail an appreciable increase of rubber consumption, the effect of which will, however, not make itself felt until the preliminary target of the Four Year Plan has been reached. Such an increase will to a certain extent be brought about in Germany by the necessity of introducing motor-trucks on a larger scale than hitherto. The Reich Minister for Traffic has already provided the traffic policy basis for

( page 8 of original, cont'd )

such a development in his Rush Program ( Sofortprogramm ) .

( page 9 of original )

Diagram  
5

Considering the fact that in America 80% of the total rubber consumption have been finding their way into the tire industry for some time while in Germany, as has already been mentioned, it amounted only to 55%, it can be taken for granted that the share in total consumption of the tire industry will increase considerably in Germany as well, especially within the framework of the Fuehrer's mechanisation program. To prove this I am showing you in Diagram 5 the number of vehicles per head of the population in the different countries from which it follows that Germany has come considerably closer to the Western countries during a period of 5 years, but that in spite of the peak figure for vehicles on 1 July 1937 shown in Diagram 5 we are still lagging behind France and Great Britain. On the strength of that fact you will get some idea what progress in the tire industry may be expected as it may be assumed that owing to the improved standard of life, which is making itself felt more and more in Germany, the number of vehicles per head of the population will come to equal that of the other countries.

There will be no notable increase in the quantities required by the other branches of the rubber industry as rubber goods are mainly articles in daily use and their sale will therefore increase only as the population increases. But in this connection it should be borne in mind that increased rubber requirements for industrial rubber goods etc. can to some extent be met by plastics. How far natural rubber or Buna should or could be replaced by plastics, I shall examine later.

Diagram  
6

In those circumstances in assuming that a max. 125,000 tons of rubber or gum will be used in Germany in accordance with the preliminary target of the Four Year Plan, a situation arises which is illustrated in Diagram 6. On the left hand side of this Diagram you will find the rubber consumption of each group of goods expressed in percentages of total German rubber consumption,

( page 10 of original )

while on the right hand side of the Diagram the actual quantities are shown. The Diagram demonstrates the share of each group of goods in rubber consumption from 1936 up to the preliminary target.



( page 10 of original, cont'd )

You will observe the changes in the share of individual groups in total consumption, as I have already explained. The tire industry is expanding considerably, while all other groups of goods will increase only in proportion to the increase of population and in accordance with a normal economic development.

C. Measures to cover the Demand.

1. The Production of Buna.

The development of rubber consumption, having been traced by me in accordance with the data of the Reich authorities whose business it is to deal with these matters, the question arises how these increased rubber requirements are to be met until the preliminary and final targets of the Four Year Plan have been reached.

We are proud of the German scientists and technicians who succeeded in developing a synthetic rubber, which has to-day found recognition all over the world. If we are in a position in Germany to-day to use resources for the production of synthetic rubber which will help us to solve problems of German raw material supplies, it is only because the German chemical industry did not in its scientific investigations extending over decades shrink from the hard work and the expense entailed by the solution of so tremendous tasks as the replacement of natural rubber.

In 1926 the experiments for the production of synthetic rubber which were discontinued after the war, were resumed and abt. 1929/30 success was attained for the first time in producing the so-called mixed polymers from Butadien and other substances, which had properties which were particularly favorable from the point of view of rubber technology. As a result of this development and of tests carried out with Buna goods by the Army Ordnance Office and the Industry,

( page 11 of original )

it was decided in 1935 to erect a large pilot-plant in order to obtain the necessary data and experience for large scale production.

When the second Four Year Plan was announced in the autumn of 1936, these activities and intentions took a new turn. An increase of the large scale pilot plant of I.G. for the production of Buna, which was in course of construction and the erection of which had just been begun, to ten times its original size was planned. The construction of the first large Buna Works was decided. This step involved a great risk since

( page 11 of original, cont'd )

many phases of the process had not been developed sufficiently for large scale production. Apparatus for large plants had to be constructed from small and medium sized experimental apparatus. But the industry took that risk and the quality of the Buna produced at Schkopau since March of last year has proved that there are no fundamental difficulties.

The Four-Phase process used in Schkopau has proved its worth in every respect. In several phases of the process it has been possible to increase the output by more than 100%. All this work, which had to be carried out with the highest possible speed, posed to engineers and chemists difficult and responsible problems. The industrial scientist continually had to pay attention to the new results and suggestions coming forward from the laboratories. Thus the drawing up of plans for the Schkopau plant alone represented a tremendous task.

The execution of the work at Schkopau was considerably affected in 1937 by difficulties in the procurement of iron. It was not always possible for the construction manager and for the office to supply the required material at the right moment.

( page 12 of original )

The basis of the Buna synthesis at Schkopau is the carbide oven. As you know, it requires for the production apart from coke and lime, considerable power supplies. For this reason it is of decisive importance for the price of Buna to obtain a cheap and efficient electricity supply. Central Germany with its lignite, is in this respect a most suitable basis. Acetylene is produced from carbide and water and is then transformed in several stages via acetaldehyde, aldol, butylene-glycol into Butadien. That is one of the most important technical tasks: to produce the basic element for the polymerization reaction cheaply and with a maximum of technical efficiency. The development of the last 1 1/2 years has shown that we were justified in using the Four-Phase Process. It is at the present the most advanced and technically most highly perfected method in existence. The other factories will be built on the same model in the first stages of construction.

The second great task is the exact control and guidance of the polymerization process of Butadien to produce Buna. While a non-continuous working method was still applied in the large scale pilot plant, the further researches in the laboratories and the Institute of Technology have proved that polymerization can be carried out in a continuous process, which involves enormous advance in the entire production, because a steady flow of material can be passed through the phases of the process. A milestone in the development of the polymerization method has thus been reached, as continuous polymerization makes possible the production of Buna of absolutely uniform quality. The second Buna factory which was prepared by the office will be erected in the Ruhr district by using hydrogenation waste gases. Acetylene is not produced here via the carbide oven but in the electric arc by

( page 12 of original, cont'd )

thermic decomposition of the carbohydrates of the hydrogenation waste gases.

( page 13 of original )

This method also requires large electric power supplies so that it relies on cheap electric current. It will be the first large scale plant of its kind in Germany, and in the world, where acetylene is produced from hydrocarbons in this way.

I must refrain here from dwelling at length upon other interesting and remarkable details of this development.

The erection of a third plant in the East of Germany is taking place simultaneously with the expansion of the second plant; thus we shall, before long, be in a position to meet a considerable percentage of German rubber requirements from our home production of Buna. There is nothing to prevent further acceleration of construction work except the difficulties encountered especially in this situation, i.e. the punctual provision of the engineers and designers required.

The preliminary target of the Four Year Plan is an annual production of 90,000 tons of Buna. Whether or not we shall in the end still import natural rubber depends entirely on the experience we gain and on future research. The construction of a fourth Buna plant is scheduled to start about 1940, partly in order to enable us to take use of the technical improvements which we expect in Buna production, but also because in certain fields a 100% change-over to Buna does not appear feasible in view of the present state of research, since the manufactured product might deteriorate in quality.

## 2) Introduction of Buna in the Rubber Industry and the Object of Further Development.

We all know how very difficult it was at first to introduce Buna. But we also know how much progress has been made within one year. May I be permitted to remind you

( page 14 of original )

that at the beginning of 1937 the tire industry for instance thought they would have to demand an expansion of their plants to five or six times their original size in order to be able to produce the same quantities of mixture from Buna, not to mention the demand for the increase of machinery required for the manufacture of the tires from Buna mixture. It is entirely

( page 14 of original, cont'd )

due to the exemplary energetic cooperation of all concerned if at the beginning of the year 1936 that same industry hopes to get along in the mixing room with an expansion of the plants to 1 1/2 times or twice original size, while Dunlop tires can now be manufactured without additional expense compared with the manufacture of tires from natural rubber. The industry even succeeded in achieving an output of 1.1, as between Dunlop and natural rubber, in the production of industrial articles.

( page 30 of original )

D. Summary of the Development of the Rubber Industry in Germany from 1936 to the Preliminary Target. Further tasks.

That, Gentlemen, brings me to the end of the discussion of all problems connected with the rubber industry within the framework of the Four Year Plan. The rubber, creta and balata industries do not fall within that scope and are therefore only lightly indicated on the diagrams 10 and 11, on which the prospective development of the rubber processing industry and its raw material supply is shown by a comparison of the year 1936 with the preliminary target of the Four Year Plan in accordance with my statements. On both diagrams raw materials fillers and auxiliary materials, requiring foreign exchange, are entered in red. Thus in 1936 almost 100% of the raw materials for the rubber industry were imported. Even reclaimed rubber was to a large extent produced from imported waste rubber and it must be borne in mind that - as you have seen in the operational diagram for waste rubber - the quantity of German motor-car tires reclaimed, was only slightly greater than our imports. In the case of fillers and auxiliary materials as well as in the case of waste rubber, indirect import has also been taken into account, which shows that 30% of these industries require foreign currency. As I have said already, various semi-finished goods must be added to the requirements of raw material, fillers and auxiliary materials. From the sum total supplies have been allocated to individual groups of rubber as shown in the scale at the foot of the diagram. Below that you see the consumption of each of goods expressed in percentages of total rubber consumption. In the diagram of the preliminary target of the Four Year Plan the proportion of materials requiring foreign currency is considerably lower in spite of an increase of 70% in the total production of rubber goods. Independence from important basic material, requiring foreign currency, has been achieved particularly in the reclamation of rubber.

10  
Diagram  
11

116



( page 31 of original )

As raw material a quantity of Buna is available which is abt. 35% higher than the consumption of natural rubber in 1936 and only a certain quantity of natural rubber will be imported until the final target has been reached. In the case of fillers and auxiliary materials the percentage of material requiring foreign currency has been reduced to 4%, which will definitely have been replaced when the final target has been attained. Allocation for the tire sector from the total production of rubber mixture will be more than doubled. A part will be allocated to the leather industry in exchange for sole leather, while all the other rubber groups of goods will expand normally. Below this you see the distribution of total rubber consumption over the various groups of goods which shows you once more the extension of tire production. Thus these diagrams demonstrate to you that within the scope of the Four Year Plan the rubber industry will be enabled to satisfy completely all the demands made on it by the German economy from home production.

.....

CERTIFICATE OF TRANSLATION

18 August 1947

I, Leonard L. LANCE, No. DTC 20 136, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of excerpts from Document No. NI-7622.

Leonard L. LANCE  
DTC 20 136

C o p y  
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17 February 1937

Basic Points of View on the Foundation of  
the Schkopau Plant and the Buna Contract.

1.) As early as 1934 it became apparent that, in view of the unsatisfactory situation of the Ludwigshafen, Hoechst and Leverkusen plants in case of war and in consideration of the strong development of the plants in Central Germany (gasoline, metals, spinning fibre), I.G. would have to open a new industrial site in the protected zone. When in the summer of 1935 certain technical prerequisites were clarified to the extent that construction could be contemplated for a large experimental plant to produce 200 tons buna per month, the site near Schkopau was acquired, in conjunction with the Keppler office as well as with the competent Wehrmacht offices.

A large plant which, in addition to buna, would in the course of time undertake the manufacture of other products, was therefore planned from the beginning. Besides the necessity of acquiring favourable industrial sites for the fulfilment of the tasks which, had hitherto been carried out mainly in Rhineland plants, the decisive factor was the technical aspect of the creating of an Economic Union (Verbundwirtschaft) between the buna plant, on the one hand and other factories in the field of inorganic and organic chemistry, on the other. This necessity becomes apparent from the fact that the planning of the first Buna plant, the extension of which to at least 1,000 tons per month was already contemplated in 1935, occurred at a time when the only model for a large plant was to be found in the small experimental plants at the Ludwigshafen, Hoechst and Leverkusen Works respectively. Since the technical and chemical state of the manufacture of buna

(page 2 of original)

by the end of 1935 was still unsettled throughout all phases of the four-stage process and the polymerization methods were still in the development stage - it was, and still is, impossible to arrive at exact figures for the apparatus required for the production of 200 tons of Buna per month then, or of 2000 tons per month now. As a result, requirements of electric power, steam, water etc. could not be calculated accurately in advance, and thus it was inevitable from the first that comparatively large safety margins should in general technical matters be demanded. Our desire to produce buna at the lowest possible price led us to the only possibility, which was to create an economic union between the buna plant and other factories. We are not guided by the idea of facilitating the setting up of other plants in conjunction with the Buna plant but rather by the desire to relieve the buna plant of over-investments which are unavoidable in the circumstances.

(page 2 of original cont'd)

The installation of further plants will moreover cut the general expenses (development of sites, settlements, offices, welfare facilities) which would otherwise have to be borne by the buna plant alone.

Pooling of resources in the form of general installations (for instance, workshops, streets, canals, welfare facilities) as well as services (for instance, power, water, traffic) on a cost price basis is a prerequisite of a sound economic union between the buna plant and other factories. As far as the buna plant is concerned, all services of the other sections of the Schkopau works are to be made available on this basis. (appropriate amortization and interest rates fixed by contract will of course be charged). The same

(page 3 of original)

advantages must apply to the other sections of the Schkopau Works, so that they can use the installations of the Buna Works G.m.b.H. when not fully utilized by the latter, instead of having to build new installations on a site away from the Buna Works G.m.b.H.

Similar conditions exist for the intermediate phases of the production of the buna plant. Thus the contemplated carbide production would be much too large after the change-over to the two-phase process and would unsatisfactorily burden the buna plant with amortization and interest. It would be best for buna production if it were possible to utilize the excess carbide for other products to be manufactured at Schkopau. Similar conditions may result from other production phases of the buna plant. However, I.G. will only utilize such excess facilities of the buna plant if they are offered on a cost price basis; otherwise, I.G. will build its own installations.

2) The creation of capital for the first buna plant must be looked at from the point of view that I.G. was not in the position to provide the building and operating capital of the 2,000 tons-per-month plant, reckoned at a total capital requirement of RM 180 to 190 Million, in view of I.G.'s enormous investments in gasoline, metals, spinning fibre, as well as the constant large demands of its existing plants, which are fully occupied with their major products in almost every case, and, finally, in consideration of the many new demands arising from the four Year Plan (tanning materials, synthetics, and so on). At the end of 1936, therefore, discussions were held with the Reich Ministry of Finance

(page 4 of original)

to examine the means of raising large funds, either by the issuing of shares or by a bond loan. These conferences have made it clear that it is desired not to take recourse to the capital market for the large sums involved. It is our impression that this point of view remained the guiding thought of the conference on 16 December in Berlin with President SCHUCHT because our explanation was accepted that, in the circumstances and in view of the lack of knowledge concerning further demands on our firm under the Four Year Plan, a capital increase or a loan should be postponed for the time being. That conference led to the adoption of a financing suggestion proposed by us to raise part of the means for financing the buna plant by placing an immediate duty on imported natural rubber. We, on our side, agreed to provide half of the required capital for the Schkopau buna plant from liquid assets. Both suggestions were approved by President SCHUCHT.

It is apparently planned to grant to us, or rather, to the Buna Works G.m.b.H. founded in the meantime a loan at 5% interest from the equalizing funds (Ausgleichskasse) obtained from the duty on natural rubber, which loan is to be repaid in 10 equal yearly payments from the amortization funds of the buna plant. Apparently, this plan constitutes an attempt to obtain participation by the Reich in the Buna Works G.m.b.H. for the period after 10 years. We must reject this claim and, if it is not given up, we prefer not to avail ourselves of the equalizing funds but to draw on the capital market to an amount not exceeding RM 90 Million, as is being done in a similar manner in the foundation of the gasoline factories to be constructed in the Ruhr area.

(page 5 of original)

3) From the first, the I.G.'s viewpoint was that it would carry out large-scale production of synthetic rubber in complete accord with the present view of economics. As compensation for our exceptional achievements in research, technical processing and, finally, manufacture of buna, we only asked for a suitable "administrative bonus" ("Regie-Zuschlag"), which was to be used mainly to pay the regular experimental costs in the field of synthetic rubber and its preliminary products, an appropriate part of past experimental costs and claims of inventors within, or outside of our firm, besides, of course, the payment of our own general expenses, the services of our central offices and the executive organs of our firms.



TRANSLATION OF DOCUMENT No. NI-7624  
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At the suggestion of the Reich, the gasoline contract for Leuna, which allows for 10% general expenses on a similar total turn-over, was taken as a model. We agree to the provision of a clause which calls for a transfer of part of current and past experimental costs to additional buna plants which may be erected, thus easing the burden on the first buna plant. However, we must decline to have the remaining items within the scope of the 10% general expenses reduced so much that, in the last analysis, there will remain an uncovered burden on our firm. In the justified feeling that we are rendering a great technical service, we are unable to understand pettiness in this matter, the less so as we are voluntarily relinquishing a profit or a license fee from the production of buna.

(page 6 of original)

4) We have a feeling that the tax exemption to be granted to the Buna Works G.m.b.H. is the main cause of the fact that the above-mentioned administrative bonus is viewed by the Reich offices with a certain mistrust and with the fear that behind it, all sorts of unjustified I.G. profits are hiding. Although this is not true, as we have explained, we herewith declare our willingness to forgo the tax exemption, the more so as the exemption, as it is to be granted to the Buna Works G.m.b.H., according to the latest pronouncements of the Reich Minister of Finance, is very limited in scope and duration and differs not inconsiderably from suggestions made at the original conferences with the Reich Minister of Finance. We want to emphasize that we did not request the tax exemption in our own interest and that, if it is cancelled, it will only be the production price of buna which will suffer.

5) There seems to be an impression here and there that in view of the purchasing guaranty of the Reich, the foundation and operation of the Buna Works G.m.b.H. presents no risk to I.G., or hardly any. We must contradict that. As we pointed out before, the installation of the 2,000 tons-per-month plant is not based on normal technical developments over an appropriate number of years, as has usually been the case (with gasoline and artificial fibre, for instance), but rather matures at a bound. By the time it starts operating, therefore, the Schkopau buna plant will already show technical shortcomings which in the course of time will require considerable new investments.

(page 7 of original)

Since the funds received from amortization will have to be used mainly to repay the Reich loan, I.G. Farbenindustrie will have to make continuous loans available to Buna G.m.b.H. which will make no profit. On the basis of our experiences about the

(page 7 of original cont'd)

industrial development of new products in major plants, we estimate these capital requirements in the course of 10 years at amounts up to RM 50 Million. Furthermore, since the installation costs will not have been redeemed by amortization in 10 years, I.G. will have the risk of a very large capital investment at the end of that time. This risk is heightened by the financial repercussions of a possible shutting down of the buna plant at the end of 10 years. It requires no elaboration that the loss of such an enormous production unit will have a catastrophical effect on the other plants in the Schkopau works, apart from our obligations toward the staff of the buna plant.

6) We have no understanding whatever for a restriction of our right of disposal over the plant of the Buna Works G.m.b.H. at the end of 10 years. We have already entered into an agreement with the Bavarian nitrogen works, which build the carbide furnaces, not to use the furnaces for the production of nitrogen of lime. There is no need for further restrictions since our own chemical work is concerned with the processing of carbide on chemical products, with the exception of nitrogen of lime. It must be our own concern whether, at any time after the period of 10 years, when buna production by the process used in Schkopau may no longer be practical, we shall want to use the plant existing there for other purposes of our firm.

(page 8 of original)

7) We are not willing to give up our demand that the sale of buna take place through I.G. organizations until a final, standard product exists. The marketing through the existing natural-rubber traders of products still undergoing constant development would seriously disturb direct relations between manufacturer and consumer; it would increase prices, since our technical help is indispensable to the sale, and would create unpleasant confusion concerning the responsibility for sales. In view of the increasing rubber requirements in Germany the first buna plant in Schkopau will hardly reduce the turnover of the natural-rubber traders of Hamburg so considerably as to endanger its existence.

TRANSLATION OF DOCUMENT No. NI-7624  
CONTINUED

CERTIFICATE OF TRANSLATION  
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21 August 1947

I, Samuel S. HORN, Civ. No. AGO-443 113, hereby certify that  
I am thoroughly conversant with the English and German languages  
and that the above is a true and correct translation of the  
document No. NI-7624.

.....  
Samuel S. HORN  
Civ. No. AGO-443 113

TRANSLATION OF DOCUMENT No. NI-4711  
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES

I.G. FARBENINDUSTRIE AKTIENGESELLSCHAFT, Frankfurt/Main,  
15 June 1937

To Ministerpresident  
General GOERING  
Commissioner for the Four Year Plan,  
Office for German Raw and Synthetic Materials,

B e r l i n  
-----  
Behrenstr. 68/70

Subject: Licensing of the Buna Process to further Buna Plants.  
-----

Referring to the contract concluded with the Reich about the establishment of a large-scale Buna plant, in SCHKOPAU, (hereinafter merely called "SCHKOPAU-Contract")

we are willing also to sign contracts of license, each for the period of ten years, with further Buna plants to be established within the Four Year Plan, according to which we shall give these factories licenses on the patents and "Know-how" available to us, including all improvements or new processes invented by us, and disposal by other licenses during the term of the individual contract, as far as these patents and "Know-how" are necessary or useful to the Buna manufacturing-process employed by the individual plants.

According to Section 4, paragraph 4 of the SCHKOPAU-Contract, the compensation there planned for our experimental and development work is also to be transferred to any further Buna plants to be established within the Four Year Plan by maintaining the maximum price of 3 million RM a year, actually so that each receives an equal proportion according to volume of production. Furthermore, we will on principle refrain from levying license-fees which could provide a profit for us. This, however, does not preclude that both during the validity of the Schkopau-Contract, and after expiration of this during the remaining validity of these license-contracts to be signed with the individual plants, we shall demand a special - if necessary proportionate-compensation - in so far as we ourselves shall have expenses incurred after the conclusion of the SCHKOPAU-Contract by technical assistance perhaps or by meeting our liabilities for indemnity to inventors,

(Page 2 of original)

or for payment of licenses to a third party, or if after the expiration of the SCHKOPAU-Contract we ourselves have to pay for patent expenses too, and so forth. Furthermore it is understood that after expiration of the individual license-contract the plant in question will enjoy the benefit of the licenses acquired by it up to that time, without further compensation (excluding license fees proportionate to their share which might have to be paid to a third party), of course also without claim to further services from the I.G.



TRANSLATION OF DOCUMENT No. NI-4711  
Cont'd

This consent to put our patents and "Know-how" at the disposal of the new plants referred to, by renouncing profit, can only be justified from the point of view of the Four Year Plan; we must, however make this dependent on the presupposition that, in order to maintain the competitive ability of the SCHKOPAU plant, none of these new plants will be granted more favorable terms by the Reich than those provided in the SCHKOPAU-Contract, with regard to rate of interest for credits, possibilities of amortization, taxes and so forth, except if these more favorable conditions are also granted to the SCHKOPAU plant.

Furthermore we reserve ourselves the possibility of making such provisions in the license contracts to be concluded with the new Buna plants as are beyond the question of license fees, however they seem necessary to the protection of the interests of the SCHKOPAU plant as well as to our own, and as they seem expedient according to the state of affairs.

I.G. FARBEINDUSTRIE AG TIENGESELLSCHAFT.

(translator's note: stamp:) Dr. F. ter Meer

signed: Dr. BUHL.

CERTIFICATE OF TRANSLATION

I, DOROTHEA L. GALENSKI, MP 34079, hereby certify that I am thoroughly conversant with the English and German languages; and that the above is a true and correct translation of Document No. NI-4711.

DOROTHEA L. GALENSKI,  
MP 34079.

END

TRANSLATION OF DOCUMENT No. WI-6343  
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES

I.G. FARBENINDUSTRIE A.G.

Frankfurt/Main, 15 June 1937

To the Minister President  
Generaloberst GOERING,  
Trustee of the Four Year Plan,  
Office for German Raw-materials and Plastics,  
B e r l i n  
Behrenstrasse 68/70

Subject: Buna Contract / Experimental costs.

In the contract between the German Reich and the I.G. Farbenindustrie A.G. concerning the construction and working of a Buna-factory in Schkopau, Article 4 provides that the I.G. shall receive, for the experimental and development work to be carried out by them, a subsidy of 12,5 Reichspfennige per kg of saleable Buna, up to a maximum of 3 million RM. per annum. The I.G., at the same time, has declared itself prepared to agree to a suitable decrease of this subsidy figure and accordingly a decrease of the maximum figure of 3 million RM., if the current costs for experiments and developments should fall below the sum of 3 million RM. per annum, it being understood that any increase or decrease in the costs, as against the actual amount of the subsidy since 1 July 1937, should be carried forward at all times.

We have declared ourselves in agreement with this arrangement, although from 1935 to 1 July 1937, we have incurred experimental costs totalling over 7 million RM in connection with the intended construction of a major plant, and although, judging by the present situation and our estimates for the future, the current experimental and development costs will for a number of years considerably exceed a yearly total of RM. 3 million. They will hardly be less than RM. 5 million per year.

At the same time we confirm the understanding reached during the verbal conferences with the representatives of the Reich that an investigation into the experimental costs should not take place because of the difficulties involved, but that while the

(page 2 of original)

Schkopau contract is running, we will at the end of each calendar year (the first time, for the period 1 July to 31 December 1937) submit to the Reich (for the attention of the Office for German Raw Materials and Plastics) a summary statement of the amount of the experimental costs spent during the calendar year in question.

I.G. FARBENINDUSTRIE A.G.

(stamp) Dr. F. ter MEER

(stamp) Signed Dr. BUHL

TRANSLATION OF DOCUMENT No. NI-6343  
CONTINUED

CERTIFICATE OF TRANSLATION

21 May 1947

I, Victoria ORTON, 20129, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of the document No. NI-6343.

Victoria ORTON  
20129

TRANSLATION OF DOCUMENT No. NI-6108  
OFFICE OF CHIEF OF COUNSEL FOR THE CRIMES

Document

of the

Attorney-at-Law and Notary

Justizrat

Dr.-jur. Alexander Berg,

Frankfurt/Main.

Document Roll Number 515

Year 1938

Prepared on behalf of

the Firm

I.G. Farbenindustrie Aktiengesellschaft

Frankfurt/Main.

(page 1 of original)

Second Extra Copy

Three Reichsmark have been paid as document tax for the original copy.

Three Reichsmark have been paid as document tax for this extra copy. A tax-free, certified copy of this transaction was sent, on 11 May 1938, to the Finance Office, Department for Company Taxation at Recklinghausen.

Frankfurt/Main, 19 May 1938.

(signature) E. Schwalb  
Representative of the Notary.

(stamp)

Justizrat Dr. Alexander Berg

Notary in Frankfurt/Main.

(Three stamps, with stamp superimposed:  
3 RM. Stamp duty. German Reich.)

No. 515 for the Document Roll for 1938.

Transacted

Frankfurt/Main, 9 May 1938.

The following gentlemen were today in attendance, in the presence of the undersigned,

Justizrat Dr. Alexander Berg, residing in Frankfurt/Main,  
Notary in the district of the Court of Appeal, Frankfurt/Main,

at the buildings of the I.G. Farbenindustrie Aktiengesellschaft at Frankfurt/Main, Gruenbergplatz, whither the notary had gone at the request of the persons present:



I.a) Director, Dr. Fritz ter Meer

b) Retired Ministerialrat Dr. Bernhard Buhl, both  
at Frankfurt/Main, Grunburgplatz, and both, according to their state-  
ment, acting for the Aktiengesellschaft at Frankfurt/Main, on behalf of  
the firm "I.G. Farbenindustrie

(page 2 of original)

Aktiengesellschaft "and as representatives of the same, and both as  
members of the Vorstand of this Company,

2. Director Mr. Friedrich Bruening, residing at Gelsenkirchen-Buer Baeren-  
kampstrasse 47

acting, according to his statement, in what follows, for the Mining Company  
Hibernia A.G., Horne with the full powers of attorney of this Company  
from 7 May 1938.

present

\*to him The gentlemen/named under 1 were known personally to the notary, and  
introduced the gentleman named under 2, thus establishing the latter's  
identity to the satisfaction of the notary.

These present declared valid the following

Company Contract  
of the  
"Chemische Werke Huels"  
Gesellschaft mit beschraenkter Haftung  
in Marl.

Title and Location of the Company.

1. The I.G. Farbenindustrie Aktiengesellschaft, Frankfurt/Main,

2. The Mining Company Hibernia A.G., Horne, herewith establish,  
under the title

"Chemische Werke Huels"  
Gesellschaft mit beschraenkter Haftung  
a Gesellschaft mit beschraenkter Haftung, located at Marl, to which  
the following company contract is to apply:

(page 3 of original)

Purpose of the Enterprise.

Article 1

The purpose of the enterprise is the production and distribution  
of synthetic rubber and other chemical products and the transaction  
of other business connected therewith. The Company is authorized to set  
up branch establishments and to have interests in other enterprises  
or to acquire such enterprises.

Duration of the Company. Business Year.

Article 2

No time limit is set to the duration of the Company.

The business year is the calendar year.

The first business year ends on 31 December 1938.

(page 3 of original)

Original Capital.

Article 3

The original capital of the Company amounts to thirty million Rf. Of this original capital, the partner <sup>named</sup> under 1) shall be held liable for a share amounting to 22.2 million Rf. and the partner named under 2), for a share amounting to 7.8 million Rf.

Article 4.

The sale or mortgage of a share in the Company or of parts of such a share may be effected only with the approval of a meeting of the partners. The withdrawal of shares in the Company is permissible.

The Instrumentalities of the Company.

Article 5

(page 4 of original)

The Instrumentalities of the Company are:

1. the Managers,
2. the Aufsichtsrat,
3. the Board of Partners.

Managers and Authorized Clerks.

Article 6

The Company has 2 or more Managers.

The Company is represented by 2 managers or one manager together with one authorized clerk. Per-procuration powers and full powers of negotiation may only be granted as complete per-procuration powers and complete powers of negotiation.

The authorized clerks and business plenipotentiaries of the Company shall be appointed and removed from office by the managers with the consent of the Aufsichtsrat.

The Aufsichtsrat.

Article 7

The Aufsichtsrat shall consist of at least four members. Their election shall be for a period of 3 years. When the period for which they are elected has elapsed, the members of the Aufsichtsrat shall remain in office until the completion of the new election.

Retiring members of the Aufsichtsrat shall be eligible for re-election.

Should members of the Aufsichtsrat resign before the expiry of their period of office, substitutes shall be elected in their place at the next meeting of partners. Their period of office shall last until the expiry of the period for which those who have resigned were elected.

It shall not be necessary to convene a special meeting of the partners

(page 5 of original)

in order to elect a substitute, as long as the Aufsichtsrat still consists of at least 4 members.

(page 5 of original cont'd)

Article 8

The Aufsichtsrat shall elect, annually from its number, a chairman and a deputy.

Article 9

The members of the Aufsichtsrat shall receive, in payment for their activity, in addition to their out-of-pocket expenses, and indemnity, the amount of which shall be fixed by the board of partners.

Article 10

The Aufsichtsrat shall supervise the management of the business. The Aufsichtsrat shall be able to prescribe, by the issue of instructions, which transactions require its approval before their conclusion. The Aufsichtsrat shall be responsible for passing or rejecting the report of the auditors, and for the examination of the annual balance sheet. The Aufsichtsrat shall have the right to examine the books and files of the Company and to conduct investigations into the cash accounts. In this, the Aufsichtsrat shall be able to make use of a Trustee Company. Matters brought before the meeting of partners by the managers, must previously be submitted to the Aufsichtsrat.

Article 11

The Aufsichtsrat shall be able to elect Boards from within the circle of its members and shall be able to confer upon them or upon individual members of the Aufsichtsrat, without prejudice to the duties of supervision and examination which in any case, shall remain the responsibility of the Aufsichtsrat as a whole, certain powers.

(page 6 of original)

Article 12

The Aufsichtsrat shall assemble whenever there is a business matter to be discussed. It shall be summoned by means of a written invitation from the Chairman or his deputy, giving the agenda, the place and the time of the meeting. In urgent cases, a verbal invitation or an invitation by telephon or telegram shall suffice.  
(handwritten note): Any member of the Aufsichtsrat may be represented by another member.  
Any member of the Aufsichtsrat and likewise any manager shall be entitled, provided that he states the purpose of and reasons for his action, to demand that the Chairman convene the Aufsichtsrat immediately.

Article 13

The Aufsichtsrat shall be competent to pass resolutions, if all the members have been invited and at least half but not less than three members of the Aufsichtsrat are present (as represented).  
In urgent cases, decisions may be made through written or telegraphic channels.  
The Chairman is to decide the method of voting.  
The decisions are to be made by a simple majority vote.  
In the event of a tie, the Chairman shall have the casting vote if he is present at the meeting; if he is absent, his deputy shall have the casting vote (see Article 3), if he is present at the meeting.

(page 6 of original cont'd)

Assembly of the shareholders.

Article 14

The highest instrumentality of the Company is the Meeting of Partners.

(page 7 of original)

Article 15

The meetings of partners shall take place on Company premises or in another place to be fixed by the managers.

Article 16

The meeting of the partners shall be convened by the managers, who also submit the agenda.

An annual meeting of the partners must take place within the first six months of each business year.

At the request of one partner a meeting of partners is to be convened immediately.

Article 17

In addition to the matters mentioned in article 46, fig. 1 - 6 and fig. 8 of the law on "Gesellschaften mit beschränkter Haftung", the election and removal from office of members of the Aufsichtsrat, the raising of loans, the selection of auditors shall be the charge of the meeting of partners.

Article 18

At the annual meeting of partners the managers are to submit a report containing the observations of the Aufsichtsrat on the circumstances of the Company, together with the yearly balance sheet and the profit and loss account for the past business year.

Article 19

The chairman of the Aufsichtsrat or his deputy shall conduct the meeting of partners.

Every RM 100.000 of capital invested by a partner carries one vote.

(page 8 of original)

In addition to the cases for which the law provides, decisions on the following matters require a three quarters majority vote:

1. The passing of the yearly balance sheet and the distribution of the resultant net profit.
2. The appointment and dismissal of managers.
3. The election and removal from office of the members of the Aufsichtsrat.
4. The raising of loans.
5. The approval of the sale or mortgage of a share in the Company or of parts of such a share, but with the proviso that a simple majority is sufficient to record approval of the sale or mortgage of parts of the share belonging to the I.G. Farbenindustrie Aktiengesellschaft, in as much as the share in the Company remaining to the I.G. Farbenindustrie Aktiengesellschaft amounts to at least 50 % of the original capital.
6. The selection of auditors.



(page 8 of original cont'd)

Announcements.

Article 20

All Company announcements shall be made in the periodical "Deutscher Reichsanzeiger und Preussischer Staatsanzeiger".

Final regulations

Article 21

Should the Company be dissolved, the winding-up shall be effected by the managers unless the meeting of the partners decides to entrust the winding-up to other persons.

(page 9 of original)

Having drawn up and agreed upon the above Company Contract the persons present declare further:

We are now assembled for the first meeting of the partners and appoint as managers of the Company:

1. Dr. Otto Jübs, analytical chemist at Ludwigshafen,
2. Director Friedrich Brauning, merchant at Golsenkirchen-Buer,
3. as deputy manager, Dr. Ulrich Hoffmann, analytical chemist at Schkopau near Hirschberg.

Mr. Friedrich Brauning, who was appointed manager, and who was present, stated that he accepted the appointment.

Those present further declared:

The costs of founding the Company shall be borne by the Company.

In addition, we appoint the following gentlemen as members of the Aufsichtsrat:

1. Dr. Fritz ter Meer, Frankfurt/Main,
2. Retired Ministerialrat Dr. Bernhard Buhl, Frankfurt/Main,
3. Director Paul Dencker, Frankfurt/Main,
4. Director Walter Horstmann, Frankfurt/Main,
5. General Director and Mining Assessor Wilhelm Tengelmann, Herne,
6. Retired Ministerialrat Walter Fimmen, Herne,
7. Director Dr. Friedrich Jost, Golsenkirchen-Buer.

The gentlemen named under 1, 2 and 3 stated that they accepted the appointment.

(page 10 of original)

The protocol was read in the presence of the notary, approved by those concerned and signed by them in their own handwriting, as follows:

signed Dr. Fritz ter Meer  
" Dr. Bernhard Buhl  
" Friedrich Brauning  
LS " Dr. Alexander Borg  
Notary

Costs: value of business RM 10,000,000

Fee article 29,2

Reich Fee regulations RM 24,080.-

Document tax 3.-

Fee article 52,1 Reich Fee

regulations 50.-

RM 24,133.-

TRANSLATION OF DOCUMENT No. NI-6108  
CONTINUED

(page 10 of original cont'd)

signed Dr. Berg, Notary

The above negotiation is herewith drawn up and entered under No. 515  
in the document roll for 1938 on behalf of the firm

I.G. Farbenindustrie Aktiengesellschaft  
in Frankfurt/Main.

Frankfurt/Main, 19 May 1938  
signed Ernst Schwalb  
legally appointed representative of  
the Notary Justizrat Dr. Alexander Berg

rubber stamp  
Justizrat Dr. Alexander Berg  
Notary, Frankfurt/Main.

CERTIFICATE OF TRANSLATION

24 May 1947

I, BERYL C. BESHICK, No. D 427459, hereby certify that I am thoroughly  
conversant with the English and German languages and that the above is  
a true and correct translation of the document No. NI-6108.

.....  
BERYL C. BESHICK  
No. D 427459.

- 7 -  
"END"

TRANSLATION OF EXCERPTS FROM DOCUMENT No. NI-7769  
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES

M.S.:  
No. 3

-Title page -

File : Buna plant II in Wuels , II  
Secretariat

Signature : Buhl

Minister. Pet Dr. Buhl

Legal Dept. I.G.F. Control Office, Frankfurt

Buna Works Wuels  
-----

(page 1 of original)

TA/HR-Bok.

22 March 1938

Re.: Huels Works.

The report on the basic facts regarding the Huels Works, dated 12 November 1937, requires some amplification of a few important points.

The general principles in the light of which the foundation of the Huels Works appeared advisable have not changed as compared with the point of view taken in the previous report. The basis of production continues to be the splitting of water gases from hydrogenation in electrical arc established in the Ruhr, which has advanced sufficiently in technical development to justify a switch-over into large-scale production.

Earlier price calculations show a superiority of the electrical arc process proposed for Huels as compared with the carbide process used in Schkopau, which superiority is based mainly on the possibilities of developing and utilizing the by-products obtained in this process, chiefly soot. This superiority makes it advisable to place the Huels Works on a private economic basis only and to avoid guarantees by the Reich as much as possible. Therefore, no absolute guarantees of purchase and price should be demanded from the Reich. The Huels production is rather to be put on the market at least at the same price as Schkopau. As a consequence, Huels would not be subject to government price control, as prescribed for Schkopau, and the opportunity might arise to make small profits within the limits of the price fixed by Schkopau through improvements of the electrical arc process.

However, it must already now be pointed out that profits, if there are any profits at all, will be very small in the first period of operation, as, compared with the position as reported on 12 November, a certain deterioration has taken place in the supply of power (coal prices), which will have an unfavorable effect, particularly during the first years of operation.

(page 3 of original)

II. Production volume.

The production volume has only slightly deviated from plans hitherto existing. Only the Oxal L. (mustard gas) quantity proposed so far has been reduced by the Army Ordnance Office (F.O.) from 9,400 to 7,200 tons per year. Instead, the production of 2,400 tons per year of O.L. is intended.



TRANSLATION OF EXCERPTS FROM DOCUMENT A.WI-7769  
CONTINUED

(page 4 of original)

As a consequence, the production program for Fuels will be as follows :

1. Main products

|    |                             |                                  |
|----|-----------------------------|----------------------------------|
|    | 12,000 tons per year Benz S | } (only in case of mobilization) |
|    | 7,200 " " " Diglycol        |                                  |
|    | 5,800 " " " Oxol I          |                                  |
| or | 7,200 " " " Oxol I resp.    |                                  |
|    | 2,400 " " " D.I.            |                                  |

2. By-products

|        |                        |
|--------|------------------------|
| 4,800  | Tons per year spirit   |
| 300    | " " " Propylene        |
| 2,000  | " " " Butanol          |
| 1,400  | " " " Butadiene oils   |
| 2,000  | " " " Residue          |
| 36,000 | " " " Caustic soda     |
| 3,500  | " " " Soot             |
| 6      | Millions cbm Hydrogen. |

At the same time, 10,400 tons per year of ethylene and 32,500 tons per year of chlorine (in the case of mobilization only) will be produced as intermediates. This quantity of chlorine is sufficient to cover the esterification of 5,800 tons per year of Oxol I and the production of 2,400 tons per year of D.I.

(page 5 of original)

The production volume of the Fuels Works is decisively affected by the stand-by plant, which is very large compared to the Benz production and the operation of which is only intended in the case of mobilization. In order to illustrate the importance of the stand-by plant for the entire Work, reference is made to its share in the consumption of power. Excluding the consumption of the D.I. plant, for which figures are not available, the stand-by plant alone requires the following power supply :

|  |                                |
|--|--------------------------------|
| 180 tons per hour maximum pressure steam, i.e. | 45% of the entire requirement. |
| 35,000 KW electrical power i.e.                | 46% of the entire requirement. |
| 9 tons per hour high pressure steam, i.e.      | 35% of the entire requirement. |
| 46 tons per hour low pressure steam, i.e.      | 41% of the entire requirement. |

Approximately 160,000 tons per year of coal or 45% of the entire consumption are required for the production of this quantity of power.

TRANSLATION OF EXTRACTS FROM DOCUMENT W-101-7769  
----- CONTINUED -----

(page 5 of original cont'd)

It is a matter of course that the establishment of such extensive power plants for the case of mobilization involves considerable expenditure, which will have to be kept low by the utmost utilization possible in time of peace. Such opportunity, however, cannot be expected at once, but only after several years, when a market has been established for the ethylene oxide produced in the stand-by plant, or for another ethylene product, or for chlorine and caustic potash lyso respectively. This market should preferably be located abroad, in view of the fact that its demands could not be satisfied in case of mobilization.

It therefore becomes necessary for the first few years to operate the stand-by plant for the procurement of supplies which are in any case required for storage. This demand is indispensable, particularly because, otherwise, only about 13,000 t.n.p. per year KW loss could be obtained from SCHOLVEN and a correspondingly decreased quantity of hydrogen could be in return delivered to SCHOLVEN. SCHOLVEN, however, depends just as much on the entire KW quantity being taken over as they depend on the return delivery of 60 million cbm hydrogen.

In the course of the respective negotiations with the authorities (Amt) and the Army Ordnance Office (W.L.A.), the reasons stated by us in favor of an operation of a stand-by plant were recognized as justified and it was promised that Hucks would be given preferential treatment, as far as the storage of supplies was concerned. This is justified, in view of the fact that products can be manufactured in Hucks at lower costs than in any of the other stand-by plants, particularly in Wolfen and Ammerdorf, which are still working with spirit ethylene. It is intended to guarantee

(page 6 of original)

Hucks Works that 50,000 tons of ethylene oxide will be taken over within 4 years. This on the whole would ensure the employment of the stand-by plant during this period, as ethylene oxide requires the greater part of the raw products and power of the entire stand-by plant.

It is intended to operate the D.L. plant for a very short time only, namely, for such length of time as is required to obtain experience for the operation of such plants. This plant's consumption of ethylene is negligible; its chlorine requirement amounts to approximately 1300 tons per year.

TRANSLATION OF EXTRACTS FROM DOCUMENT No. NI-7769  
CONTINUED

(page 6 of original continued)

After Reich orders have been filled, provision must be made for the disposal of all or part of the ethylene or chlorine quantities produced. If part of the plant would have to cease operation after this period, provision must always be made for the utilization of the K quantities, which thereby become available, and for the ensuring of the possibility of training personnel.

CERTIFICATE OF TRANSLATION

6 September 1947

I, Julius STEUER, AGO No. A-442 654, hereby certify that I am a duly appointed translator for the English and German languages and that the above is a true and correct translation of the document No. NI-7769.

.....  
Julius STEUER  
AGO-No. A-442 654

AFFIDAVIT

I, Dr. ERNST STRUSS, director of IG Farben, chief of the Office of the Technical Committee of IG Farben, Secretary of the Technical Committee of the Vorstand of IG, chief of Seite II of Verwaltungsstelle II, and production chief of the entire German synthetic industry covered by the Economic Group Chemical Industry since 1943, having been warned that I will be liable to punishment for making false statements, herewith state under oath, voluntarily and without coercion, the following:

In the affidavit following, I am dealing with the same production capacity of IG which had been planned before the outbreak of war:

- 1.) In the discussion of 4 April 1939 between Dr. ter Meer, Dr. Andres, Dr. Kennerf, and myself as representatives of IG, and members of the Reich Office for Economic Development, with Dr. Lohse in the chair, it was decided that the production capacity for the same plant must be increased to 40 000 tons per year and that of the same plant be increased to 60 000 tons per year.
- 2.) Further, a third same plant was planned, Fuerstenberg, on the Oder, during 1939 before the outbreak of war. This factory was to have a starting capacity of 12 000 tons per year with possibilities for increasing this to 24 000 tons per year.
- 3.) According to this the total plans of IG for same production therefore amounted to 112 000 tons before the outbreak of war; in Fuerstenberg, an additional expansion by 12 000 tons per year was intended.

I have carefully read the above affidavit and personally signed it; have made the necessary corrections in my own handwriting and initialed them. I herewith declare under oath that in this statement I have told the pure truth according to the best of my knowledge and belief.

(signature) Dr. Ernst Struss

(page 2 of original)

Sworn to and signed before me this 1st day of November 1947 at Muenster, Germany, by Dr. ERNST STRUSS known to me to be the person making the above affidavit.

(signature) Otto Heilbrunn  
Dr. Otto Heilbrunn  
Civilian LTO 30140  
Office of the Chief of Counsel  
for War Crimes  
US War Department

CERTIFICATE OF TRANSLATION

I, Dorothea L. Galski, LTO 34079, hereby certify that I am thoroughly conversant with the English and German languages; and that the above is a true and correct translation of the Document No. MI-12627.

DOROTHEA L. GALSKI  
LTO 34079

END

140



*J. G. Farber*

MILITARY TRIBUNAL NO. \_\_\_\_\_

CASE NO. *VI*

Prosecution Document Book No. \_\_\_\_\_

*XXIX*

*Encl.*



INDEX

TO

DOCUMENT BOOK XXIX

Count I-D

Case No. VI

FARBEN PARTICIPATED IN CREATING AND EQUIPPING  
THE NAZI MILITARY MACHINE FOR AGGRESSIVE WAR

| Exhibit No. | Document No. | Description of Document | Page No. |
|-------------|--------------|-------------------------|----------|
|-------------|--------------|-------------------------|----------|

|         |  |   |   |
|---------|--|---|---|
| NI-5892 |  | Minutes of the meeting of the technical management Hoechst of 30 May 1938, where Ernst Struss reports on the three buna plants. | 1 |
|---------|--|---|---|

|         |  |   |   |
|---------|--|---|---|
| NI-6341 |  | Contract dated 15 June 1938 between Farben Buna Werke and Office of the Reich Monopoly for Alcohol regarding production of alcohol, signed by Ambros on behalf of Farben. | 2 |
|---------|--|---|---|

|         |  |  |   |
|---------|--|--|---|
| NI-7472 |  | Files of the Feldwirtschaftsamt Secret report on "The cooperation of the Army in the development and experiments in regard to synthetic rubber", dated 1938. | 4 |
|---------|--|--|---|

|         |  |   |    |
|---------|--|---|----|
| NI-4717 |  | Letter of the defendant ter Meer to Under-Secretary Brinkmann re buna production and erection of a third buna plant, dated 11 October 1938. | 11 |
|---------|--|---|----|

|         |  |  |    |
|---------|--|--|----|
| NI-7668 |  | Interrogation of the defendant ter Meer on production of buna. | 13 |
|---------|--|--|----|

|   |     |  |    |
|---|-----|--|----|
| NI-6142 (ready in evidence in Book XIII as Exhibit 348) | Al- | Minutes of the first meeting of the Board of Chemische Werke Huels, dated 15 November 1938, with report on the negotiations with the Reich and an increase of the share capital. | 15 |
|---|-----|--|----|

|   |     |   |    |
|---|-----|---|----|
| NI-6145 (ready in evidence in Book XIII as Exhibit 349) | Al- | Contract dated 13 March 1939 between I.G. Farben (executed by defendant ter Meer) and Reich Minister of Economics and Reich Minister of Finance regarding Huels Buna plant. | 16 |
|---|-----|---|----|

| Exhibit No.   | Document No. | Description of Document   | Page No. |
|---|--------------|---|----------|
| NI-6109   |              | Contract between Chemische Werke Huels A.G. and Hubernia A.G. on the one side and the German Reich on the other re construction of buna plant Huels, dated March and April 1939.  | 33       |
| NI-6143   |              | Copy of letter from Dresdner Bank to Chemische Werke Huels, concerning the opening of the credit of 15 million marks for the construction of buna plant II (Huels), dated 4 April 1939.   | 40       |
| NI-6139   |              | Letter from Reich Minister of Economics to Chemische Werke Huels, concerning sales guarantee for the production of buna plant II.   | 43       |
| NI-6505(al-ready in evidence in Book XIII as Exhibit 344) |              | Report by I.G. Farben on commercial and financial negotiations with Russia 1939 through 1941.   | 45       |
| NI-6344   |              | Contract between the Reich Ministry of Finance and I.G. concerning the construction of the buna plant in Schkopau.  | 52       |
| NI-7288   |              | Excerpt of secret minutes of the 6th meeting of the Commission K on 23 October 1931 in Huels, where the scheme for the development of buna IV at Auschwitz is outlined.   | 57       |
| NI-7972   |              | Original letter from I.G. Farben to Reichs Commissar fuer die Preisbildung regarding price fixing for buna, and original mimeographed reply letter, dated 17 July and 12 September 1942.  | 65       |
| NI-8474   |              | Minutes of the meeting of the I.G. K-Commission of 8 June 1942, stating that 575 million marks credits have been spent by I.G. for buna and plastics and that the ever increasing production of I.G. in the fields of buna and plastics will continue also in the future to play a decisive part in meeting the huge war requirements (Statement by defendant ther Meer). | 70       |

| Exhibit No. | Document No. | Description of Document | Page No. |
|-------------|--------------|-------------------------|----------|
|-------------|--------------|-------------------------|----------|

|         |  |   |    |
|---------|--|---|----|
| NI-6123 |  | Unsigned copy of a memorandum by I.G., dated 23 April 1941, stating that a continued drafting of I.G. personnel would be disastrous, since almost all of I.G.'s production, such as buna, synthetic materials are used almost exclusively for the army. | 74 |
|---------|--|---|----|

|   |  |   |    |
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| NI-6194(al-ready in evidence in Book V as Exhibit 97) |  | Files of the Feldwirtschaftsamt "Rubber supply in wartime were measures taken before and during the war", dated March 1941. | 76 |
|---|--|---|----|

|   |  |   |    |
|---|--|---|----|
| NI-8318(al-ready in evidence in connection with gasoline) |  | Affidavit by Struss, saying that "it would not have been possible to carry on the war for several years without I.G.'s buna". | 94 |
|---|--|---|----|



TRANSLATION OF EXCERPTS OF DOCUMENT No. NI-589  
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES

Minutes

of the meeting of Technical Directors in Frankfurt/Main-  
Hoechst on 30 May 1938.

Attended by:

|                 |              |
|-----------------|--------------|
| Lautenschlaeger | (Initial) L  |
| Struss          |              |
| Rockmuhl        |              |
| Roth            |              |
| von Bruening    |              |
| Fehrle          |              |
| Hirschel        | <u>Files</u> |
| Kiesskalt       | dealt with   |
| Landers         |              |
| Mueller         |              |
| Orthner         |              |
| Ransenberg      |              |
| Tampke          |              |

.....  
(page 3 of original)

.....  
Struss renders a general report on the 3 Buna-Works decided on,  
and on the Carbide-situation for these works.

.....  
(page 4 of original)

.....  
(signature) Hirschel.

CERTIFICATE OF TRANSLATION

21 May 1947

I, ARTHUR MACNAMARA, Civ. No. 20 191, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of excerpts of the document No. NI-5892.

ARTHUR MACNAMARA  
Civ. No. 20 191.

TRANSLATION OF EXCERPTS OF DOCUMENT  
NO. NI-6341  
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES

Dr. Boe/S

Stamp of I.G. Farben  
Ludwigshafen a/Rh.

Stamp Duty  
of RM 3.-- for duplicate  
RM 3.-- for original  
in words: three marks have been paid

Stamp Duty  
Paid  
RM 3.-- B No. 543

Contract

between

(Reichsmonopolverwaltung fuer  
Branntwein

the German Reich, Office of the Reich Monopoly for Alcohol,  
Berlin W 9, Schellingstrasse 14/15, (Monopoly Admin. Office)

and

the Buna Works G.m.b.H., Merseburg, (Buna-Werke)

Article 1.

The Buna Works undertake to produce up to 286,000 hl  
spirits of wine per year. The Monopoly Admin. Office here-  
with grants the authorization required for this production.  
The authorization shall apply only to the Schkopau plant  
run by Buna-works. Resale of any rights arising out of  
the authorization shall be prohibited.

(Page 3 of original)

Article 3.

All spirit, which has not been bought up by the Buna  
Works or been assigned to the firms mentioned in appendix I,  
in accordance with Article 2 para. 3, of this contract,  
but is disposed of elsewhere by the Monopoly Admin. Office  
shall satisfy the requirements laid down in Appendix 2.

(Page 6 of original)

Berlin, 15 June 1938

Office of the Reich Monopoly  
for Alcohol

Signature: Wolf

President

(Stamp): President of the Office of  
the Reich Monopoly for Alcohol.

Ludwigshafen/Rh., 17 June 1938

Buna Works G.m.b.H.

Signature: per pro Wulff (?)

Signature: Ambros

TRANSLATION OF EXCERPTS OF DOCUMENT  
NO. NI - 6341 CONTINUED

Appendix I  
to the Contract between the  
Office of the Reich Monopoly  
for Alcohol and the Buna Works  
G.m.b.H.

- I.) I.G.-Works:  
 Wolfen/Farbenfabrik  
 Wolfen/Filmfabrik  
 Bitterfeld  
 Aken  
 Stassfurt  
 Teutschenthal  
 Merseburg  
 Niedersachswerfen
- 2.) Companies in which I.G. directly or indirectly owns more than 50% of the shares:
- |  |                |
|--|----------------|
| Deutsche Celluloid-Fabrik A.G., Eilenburg, | Eilenburg      |
| " " " " " "                                | Leipzig        |
| Deutsche Grube A.G., Halle/S.,             | Zscherndorf    |
|  | near           |
|  | Bitterfeld     |
| G.C. Dornheim A.G., Berlin,                | Harzburg-      |
|  | Neustadt       |
| Dynamit-Action-Gesellschaft, formerly      | Bochlitz-      |
|  | Ehrenberg      |
|  | near Leipzig   |
| Alfred Nobel & Co., Troisdorf              |                |
| Patronen-, Zündhuetchen- und Metall-       |                |
| waren-Fabrik A.G., formerly Sellier &      | Schoenebeck/   |
| Bellot, Schoenebeck,                       | Elbe           |
| Richard Schubert A.G., Sehma               | Schnee/Erzgeb. |
| Selve-Kronbiegel-Dornheim A.G., Soemmerda, | Soemmerda      |
|  | near Erfurt    |
- 3.) The lignite mines affiliated with the I.G. Mines Administration at Halle and the Riebeck Montan-Werke Aktiengesellschaft, Halle.

CERTIFICATE OF TRANSLATION

10 June 1947

I, Leonard LAWRENCE, 20138, herewith certify that I am thoroughly conversant with the English and German Languages; and that the above is a true and correct translation of excerpts of document No. NI-6341.

LEONARD LAWRENCE  
20138

- 2 -

E N D

3

Proof No. 3

S e c r e t

THE CO- OPERATION OF THE ELEMENT  
IN THE DEVELOPMENT AND TESTING  
OF SYNTHETIC RUBBER

Compiled from the Files  
of the High Command of the Army  
( Production and Examination Group 6 of the Army Ordnance  
Office ) ( La Pruef 6 )

Autumn 1938

1938

Printed by the High Command of the Army.



( page 2 of document )

This is a secret matter within the meaning of Article 68 of the Reich Penal Code ( Edition of 24 April 1934 ). Misuse will be punished according to the provisions of this Law, in so far as other Penal Regulations do not apply.

.....

( page 6 of document )

German synthetic rubber has in recent years aroused considerable international attention. Only few of those who today talk easily of a synthetic substitute for natural rubber - in particular of Buna - have any idea of the untold labours, trouble and anxieties that, in the course of the last 20-25 years, have gone to the production and preparation of synthetic rubber and to its efficient utilization. The fact that it is today established that synthetic rubber, is, in many of its qualities, superior to natural rubber and that no one any longer doubts the excellent quality of the products made from it, is in essence the result of a unique collaboration, especially in latter years, between the Reich authorities and the Buna manufacturing and processing industry. To record this development, with its alternating successes and failures, is the object and purpose of the following memoir.

( page 7 of document )

The historical Development of the Production and Utilization  
of Synthetic Rubber up to the year 1933.

The idea of substituting synthetic for natural rubber was realized to a large extent practically for the first time in the World War. The laboratory production of rubber-like substances in Germany was already known in earlier years - especially through the work of Hofmann and his colleagues - but synthetic rubber was only produced in large quantities in the year 1917. The emergency in which Germany found herself in consequence of the Blockade made the technical production of synthetic rubber on a large scale a matter of necessity. True, the crude rubber stocks in the different warehouses were taken into precise account right at the beginning of the war - in 1914 - and regulations issued in regard to manufacture, so that crude rubber could only be manufactured into strictly specified articles; but these stocks were, however, already fully used up during the course of 1915.

( page 7 of document, cont'd )

In consequence, control was instituted on old rubber, which was divided into definite classifications in regard to quality. As the old rubber stocks were, however, not sufficient and the imports of foreign crude rubber were also only small and intermittent, the Farbenfabriken vorm. Friedrich Bayer & Co., - ( the I.G. Farbenindustrie A.G. of today - ) in 1917

( page 8 of document )

produced in larger quantities the so-called Methyl-rubber. This Methyl rubber, of which altogether about 2500 tons were manufactured and used during the war, was at once included in the rubber economy. This synthetic rubber was divided into two kinds, viz. Methyl rubber "H" and Methyl rubber "M". Methyl rubber "H" was used chiefly for the manufacture of hard rubber goods. The great bulk of it went to the production of battery cases for U-boats. Methyl rubber "M" was used for the manufacture of soft rubber goods. For the first time, attempts to manufacture automobile tyres out of Methyl-rubber and scrap rubber were successful and stood the test of long trial runs. The soft rubber, however, still had many faults as compared with natural rubber. In particular, its lack of elasticity was a great disadvantage so that Methyl-rubber always retained the defects of an Eraser material.

At the end of the war, the work on the production of synthetic rubber immediately ceased. This was, above everything else, due to the fact that the prices of raw rubber on the world market were very low. They amounted at the end of 1918 to about RM 10 per kilogram. At these prices, it was not possible for private enterprise to manufacture Methyl rubber at its then stage of development. It was not until the end of 1926 that the I.G. Farbenindustrie again took up this work.

( page 9 of document )

The price of natural rubber at that time was about RM 6.00 per kilogram, which, after changes had been introduced into the methods of production, appeared to make it possible to manufacture synthetic rubber on the basis of private enterprise. Laboratory experiments showed first of all <sup>that</sup> the preponderant weight of the work had shifted in the meantime. Work undertaken for comparison in 1926 and 1927 on the polymerisation of isopren and butadiene showed that no better quality rubber was obtainable with isopren than with butadiene. In subsequent work, therefore, butadiene was preferred, principally because isopren was technically difficult to produce, unless at very high cost, while butadiene could be produced more simply and cheaply.

( page 9 of document, cont'd. )

Within the I.G. Works, various centres were engaged on the production of synthetic rubber, predominantly the works in Hirsch, Ludwigshafen, Oppau and Leverkusen. Leverkusen occupied itself exclusively with polymerisation, and to an increasing extent with emulsion-polymerisation. The Leverkusen Works also were the centre for the technical development of rubber polymers. During the period 1927 to 1930 means and personnel were devoted by I.G. to the work on synthetic rubber on a scale that was lavish even for their circumstances. Butadiene was produced by various processes in considerable quantities.

( page 10 of document )

Sodium-polymerisation was carried out both in Leverkusen and in Ludwigshafen in apparatus which are still standard size to-day. In 1928 tyres were manufactured out of sodium-polymers and tyre trials instituted. These trials were carried out by the then firm of Peters Union, which later amalgamated with the Firma Continental. The result of these trials at the then existing stage of development could not be described as bad. Tyres were used that were made out of 100% synthetic rubber, received the name of "Duna". Immediately thereafter, the I.G. Farbenindustrie concluded a contract with the Firma Continental which assured to the latter the sole manufacture of Duna tyres. Similar contracts were concluded with the firm of Clouth for technical rubber goods and with the firm of Felton & Guillaume for cables. In order to give some idea of the large scale of these experiments, it must be mentioned that the I.G. Farbenindustrie placed at the disposal of the rubber firms with whom it had concluded the contracts up to 15 tons of Duna free of cost. Unfortunately, however, - from the private economic point of view of the manufacturing firms concerned - the time for synthetic rubber had not yet arrived. The co-operation of these firms in the further technical development of Duna failed of the necessary initiative.

( page 11 of document )

Nevertheless, the technical work had so far progressed in 1928-1929 that it was seriously thought of erecting a plant for the production of 70 tons a month of sodium-polymers. The sudden drop in the price of natural rubber on the world market, however, caused a loss of interest in this project. The price of natural rubber was quoted in 1930 at less than RM 2.- per kilogram, and in the autumn of 1932 it reached its lowest level at RM 0.25 per kilogram. As a result of this drop in the price of natural rubber, the technical plants for the production of butadiene and sodium-polymers had of necessity to stop work.

( page 11 of document, cont'd )

Fortunately, however, some time before, the superior co-polymers of Butadiene with polymerisable Vinyl compounds had been discovered in Leverkusen. Tyre trials were also carried out on the Nuerburgring ( race track ) which demonstrated the superior wear-resistant qualities of Buna. At about the same time, in Leverkusen, the oil-resistance of certain qualities of Buna had also been recognized. As the closing down of Buna production had left available over 10 tons of unpolymerised Butadiene, the work on co-polymerisation in Leverkusen could proceed undisturbed and without restriction to the scale of scientific laboratory research, with the knowledge that the further development of the work was bound in time to bring good results.

( page 12 of document )

It was only after the revolution in 1933, however, when the initiative of the Wehrmacht intervened, that the experiments received the desired impetus - above all, in the field of the processing of synthetic rubber. Without delay, the I.G. Farbenindustrie at first took up the continuous technical production of butyl glycol. Then followed, singly and together, the developments of the technical units for butadiene ovens, the technical development of co-polymerisation and the whole technical development of rubber. The contracts concluded between the I.G. Farbenindustrie and the Firma Continental once more assumed importance.

.....  
( page 13 of document )  
.....

Prominent in the foreground of the negotiations which the Army Ordnance Office took up with the I.G. Farbenindustrie A.G., following on these experiments, was the demand that the tyres must, as far as possible, consist of 100% synthetic rubber.

( page 19 of document )

and be at least as good as tyres made out of natural rubber. It was, therefore, the quality of the synthetic rubber and not its price that mattered, so far as its use for the Wehrmacht was concerned. In so far as it was ascertained that other processes existed abroad for the production of synthetic rubber that were superior to the German processes, the Wehrmacht was resolved to



( page 19 of document, cont'd )

acquire these foreign patents and to have the material manufactured in Germany according to these patents for its use.

There was, however, only one product of any importance abroad, manufactured by the American firm of Dupont, that could be used as ersatz for natural rubber for the manufacture of tyres etc. In the years 1933/34, investigations made by the I.G. Farbenindustrie A.G., with a view to a comparison of their own with foreign rubbers, had at first an unfavourable result for them. The I.G. Farbenindustrie ascertained that the American product called "Dupren" was noteworthy for its method of manufacture and was technically easier to process than Buna. The Army Ordnance Office at once declared its great interest in the American "Dupren" and supervised the negotiations which the I.G. conducted with the Firma Dupont. The intention was to exchange I.G. patents for a licence on the patents for the production of "Dupren". It had unfortunately to be considered certain that the firm of Dupont, who were aware of the military and economic position of Germany,

( page 20 of document )

would set a high price on the granting of the licence. It was therefore an enormous relief when the I.G. Farbenindustrie A.G., in 1934, before the conclusion of the contract, received proof that the capability of their own synthetic rubber was improved and that Buna was superior to the American synthetic rubber, which was still not capable of producing usable tyres.

The work of the I.G., Continental and Metzeler was given a great impetus at the end of 1934 by the visit to Leverkusen of the then Reich Minister of War. On this occasion, tyres were demonstrated that were manufactured out of German material and had been tried out on the Huerburgring. As a result, the Reich Minister of War decided :

- 1) The Army Ordnance Office will without delay enter upon large scale trials with a view to the expeditious ensuring of the tyre requirements of the Wehrmacht on a synthetic basis.
- 2) The Wehrmacht will take over at actual cost price the tyres resulting from serial manufacture which is to be instituted.
- 3) The Wehrmacht will cover its entire requirements from Buna, as soon as the technical utility of the material can be guaranteed.

At the same time, the Reich Minister for War decided that 1,000,000 RM should be earmarked for the carrying out of trial runs.

TRANSLATION OF EXCERPTS FROM DOCUMENT No. NI-7472  
CONTINUED

( page 21 of document )

The administration of the work connected with the testing of synthetic rubber was delegated to Production and Examination Group 6 of the Army Ordnance Office ( Heereswaffenamt Prüfwesen 6 )

These decisions gave the impetus to a work that has now been proceeding for four years. In these four years, the Buna material has attracted international attention, more especially as the manufacture of tyres from synthetic rubber has hitherto been successful only with the German material.

As a result of the decision of the Reich Minister of War, synthetic rubber had a stormy development in Germany during the succeeding years.

.....

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CERTIFICATE OF TRANSLATION

22 August 1947

I, Anne MARTIN, No. E 00646, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of excerpts from document No. NI-7472.

Anne MARTIN  
No. E 00646.

11 October 1938

Confidential!

To the

State Secretary R. P r i n k m a n n  
Reich Economics Ministry

B e r l i n W. 8.  
Behrenstr. 43-45.

Dear State Secretary,

With reference to our conversation of the 4th of this month I take the liberty as agreed to report to you briefly about the points which are of special interest to you.

Action concerning Buna in the USA.

Enclosed please find copy of a paper which I read to you on that evening and which contains the expositions I made in the Reich Economics Ministry in March this year. -- In the course of our conversation on this subject I pointed out that, if the USA proceeded with the production of synthetic rubber, it would finally lead to handing over to the greatest consumer-country for natural rubber in the world the controlling influence on the price for plantation rubber. I believe that this argument is decisive for your trade-political negotiations with Washington.

As for the rest I confirm my communication that as soon as the duties incumbent upon me in Germany permit it I shall leave for USA in order to take the first steps for a utilization of our processes there. The permission to negotiate I requested has just been granted to me by letter of 8 October 1938 from the Reich Economics Ministry (I Chen.166/38g).

Buna production in Germany.

In expositions of some length about the problems of Buna production and Buna manufacture I have explained that, taking a long view, the production of synthetic rubber in Germany under the protection of a tax acceptable to the economy, and from aspects of purely private economy, promises to become a sound permanent manufacture. In order to reach this goal,

(page 2 of original)

it is necessary that the further development of the Buna factories the construction of which has already been started be carried out using in every case the best of the newer processes available. I therefore requested you, not to allow the building of the Buna factories, to be completely or preponderantly, influenced by military interests, now that immediate danger of war has been removed.

Buna Works No. III.

Apart from the second step in the development of Buna works No. III I am particularly thinking of the location for Buna works No. III. Due to the great stress put on Military considerations, it has been proposed to locate it in Fuerstenberg, which location is unsatisfactory from several points of view. A better industrial site examined and proposed

TRANSLATION OF DOCUMENT NO. NI - 4717  
CONT'D.

by us in Deschowitz (Upper Silesia) could not be considered until now because this area was considered as a troop concentration area against Czechoslovakia. Since the political tension has been removed, the Deschowitz location is again being considered.

In pursuance of your communications - which were of extreme interest to me - about the future attitude of Germany toward Czechoslovakia which, based on economic considerations, must have important political and therefore also military consequence, I now take the liberty of bringing forward for consideration a further location for Buna No. III, namely in the northern part of the Sudetenland. As you know there, there are extremely productive lignite mines. A number of basic chemical products are available through the works of the Aussiger Verein; furthermore a great pool of good labor, particularly of specialized workers is also available. The population-political point of view should be very significant here after a 20 years reign by the Czechs and in view of the extensive unemployment. At any rate, it seems to me to be justified that the Sudeten-German location be examined in detail before a final decision as to the location of Buna No. III is made and I would gladly place myself at your disposal for this investigation.

I took the liberty today to inform Dr. Krauch briefly about these discussions concerning the location of Buna III.

May I be allowed, in conclusion, to express how thankful I am for being allowed to discuss with you, dear Sir, the above problems and other questions, and I shall take the liberty of keeping you currently informed about further developments.

Heil Hitler,

Yours very respectfully,

(Translator's Note: Stamp):

Dr. F. ter Meer.

-----  
CERTIFICATE OF TRANSLATION.  
-----

I, DOROTHEA L. GALEWSKI, B.T.O. 34079, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of Document No. NI - 4717.

21 May 1947

DOROTHEA L. GALEWSKI  
B.T.O. 34079.

( E N D )



page 1 of original

Witness: Dr. Fritz ter Meer  
Interrogators: Jan Charnatz and Drexel  
A. Sprecher  
Reporter: Dorothy Adams  
Date: 23 April 1947  
Time: 1555 to 1700 hrs.

- Q. (By Mr. Sprecher) Dr. ter Meer, this is Dr. Charnatz. Now, Doctor, will you arrange to write the German words down in the usual way as it helps keep a clear record. Now, Dr. Charnatz would like to discuss several points with you. On these points he has a great deal more knowledge than I have. If you both would be a little careful about the speed of the interrogation, I would appreciate it because it makes for less corrections.
- Q. (By Mr. Charnatz) I got the transcript of your interrogation of the 14 April 1947 only rather late, so as it is pretty late to go into it in great detail today.
- (By Mr. Sprecher) That was on Dr. ter Meer's own calendar made for the events which had taken place since --
- A. Going back to the time when Professor Hoffman started his work at Leverkusen in 1896, and it contains the major events on synthetic rubber development up to the time when the war broke out.
- Q. (By Dr. Charnatz) One technical question before we start. Now, is synthetic rubber, Buna, only produced by high pressures? Is it the same high pressure method as is used in synthetic gasoline or in producing nitrogen?
- A. No, sir. In general you cannot talk about the high pressure process in regard to Buna but we use it in one step of the so-called Four Steps Process in making Butadiene and carbide. There was used in the Third Step high pressure of about 100 atmospheres.

page 2 of original

- Q. Which is not quite as high a pressure as you are using for synthetic gasoline?
- A. For synthetic gasoline we used much higher pressures.
- Q. Now, one more fundamental question. What were your raw materials for your Buna and Buna S which you produced?
- A. May I just ask a question? You mean the basic elements, The basic elements in Germany are carbide from which we make the Butadiene, but as Buna S is not a simple polymer of Butadiene but a so-called co-polymer---  
You are a chemist?
- Q. No, only a high school "chemist".
- A. -- of Butadiene plus Styrene, we need the additional raw materials for Styrene which are, on the one side, benzol and ethylene on the other. Now this is the one process which we called the Four Steps Process. Later on Dr. Reppe invented at Ludwigshafen what we called the Three Steps Process of making Butadiene. Here enters only half of the quantity of carbide and the other half is substituted by Methanol as raw material. Now, here again we have carbide and methanol forming Butadiene and then polymerization of Butadiene plus styrene so as to make Buna S. That was by far the largest product -- Buna S.
- Q. One more question. Sometimes it is said that synthetic rubber is made from coal and limestone. Is that true?
- A. This is true in the case of the Four Steps Process because carbide is made from coal and limestone. It is not quite correct insofar as the styrene comes in, which of course is not made from coal and limestone.
- Q. But basically there is truth in it if it is said that Buna is produced from the elements from limestone and coal?
- A. Now, if you take the old brand, Buna 85, then it is 100 % correct because

page 3 of original

there does not come in the Styrene. Buna 85 is produced from carbide, and carbide from lime and coal.

Q. But nevertheless, basically, it remains true that it all comes in the very last end from coal and limestone?

A. That is right, sir, in the processes which were applied in Germany.

Q. Now with regard to the raw materials which you use, let us take only the Four Step and the Three Step Processes. We can forget about this Buna 85.

A. Yes, that was a small part.

(Mr. Sprecher exits)

Q. You needed limestone which was transformed into carbide by whom?

A. By ourselves. All the Buna works were producers of carbide because carbide is the first raw material for making the first step - transformation into acetylene. But at Huels we did not use carbide. We used there a special acetylene process by cracking hydrogenation exitgases from a synthetic gasoline plant nearby, such cracking being performed in the heat of an electric arc, and that gives a mixture of various hydro-carbons, specifically acetylene. All the other three Buna factories were also carbide plants.

Q. Now, what did you have to add to this carbide in order to get anywhere?

A. We had, as a matter of fact, to add very little to it because carbide develops in contact with water, acetylene. Now, there is a reaction which brings two molecules of acetylene together and the compound so formed has then only to be reduced by hydrogen or by the aid of hydrogen, and just this process was carried out under pressure of about 100 atmospheres.

page 3 of original cont'd

Then comes the Fourth Step -- that is that we had to eliminate two molecules of water from the intermediate and then Butadiene was ready. So you see, as a matter of fact, the carbide or the acetylene are really the products because the addition of water, addition of

page 4 of original

hydrogen and elimination of water, does not mean anything with regard to raw materials.

Q. That is right. So the coal you actually needed only since you had to use in certain cases methanol?

A. No. We needed coal, first of all, in order to produce carbide from limestone which is transverted into lime, and lime and coal in the heat of an electric even from carbide. Now the whole process of firstly making carbide and secondly carrying through the Four Steps needs large quantities of steam and electric power. So by far the largest amount of coal is used for producing steam and electric power. That is the reason why we placed the first Buna plant in middle Germany where I.G. Farben had large amounts lignite, and for the same reason we built the second Buna plant in the Ruhr district in the immediate neighborhood of one of our coal mines, besides the fact that we used at the same time the hydrogenation exit gases from the gasoline plant nearby.

Q. Now, as you in your combine or concern had firstly vast experience in high pressure processes, as you furthermore had actually, as for instance in the Four Step Process, the necessary hydrogenation exit gases from your gasoline hydrogenation plants, and also for the Three Step Process you had the methanol which you produced yourselves, it was the



page 4 of original cont'd

most natural thing, let us say, to put these things together and engage in the production of a thing like Buna.

A. That is right, sir.

Q. Now, Dr. Ger Meer, in the case of the hydrogenation of coal into gasoline, the I.G. Farben used their high pressure installations which they possessed and which they had in Leuna, and made the necessary changes and were able to use them for this new process—that means producing gasoline.

page 5 of original

Of course after quite considerable changes.

A. Well, I think I must correct this quite a bit. In the production of what is usually referred to as synthetic nitrogen but which really means ammonia, the by far most difficult thing is the production of pure hydrogen, and as in 1929 or even a bit earlier, the ammonia production could not be run at full capacity owing to the competition from abroad, now parts of the Leuna equipment for ammonia came to a standstill and now we used that part of this equipment in which hydrogen was manufactured and put this hydrogen equipment to the hydrogenation of coal. But the very apparatus in which, under a high pressure, the hydrogenation of coal took place, were new installations. But we saved the hydrogen.

Q. Which was a high pressure apparatus?

A. No. Hydrogen manufacture is not carried out under high pressure.

Q. But in the production of hydrogen which was necessary, this high pressure was being used and this was transformed

page 5 of original cont'd

for production of synthetic gasoline?

A. Well, this part is not high pressure. All hydrogen manufacture is low pressure or even no pressure at all.

Q. And where does the pressure come in?

A. The pressure comes in when nitrogen from the air is combined with the hydrogen to form ammonia, or when coal or lignite are combined with hydrogen to form oil or gasoline.

Q. That makes it perfectly clear. Now, in the first investments for the production of synthetic gasoline you were able to use at least to a certain extent - -

A. Yes, to an important extent.

Q. - - your production installations which saved you considerable new investments.

page 6 of original

But in the case of the production of synthetic Buna, you could not avail yourselves of such installations which were already in your possession but you had to build up entirely new production facilities?

A. Yes, that is right.

Q. So as in the case of synthetic gasoline production which was initiated by Dr. Bosch, it was not exactly too much of a financial venture to start a new unknown production on a large scale. In the case of Buna rubber it was different?

A. Yes, that is right.

Q. Because here you could not avail yourselves of any industrial facilities which were already in your possession but you had to make entirely new investments for the entire new production plant? - 6 -

page 6 of original cont'd

- A. That is quite right. At any rate, it is quite right for Schkopau and Huelis, whereas at Ludwigshafen in the Third Buna factory we used as a raw material methanol and this methanol was already manufactured at Oppau.
- Q. But even in Ludwigshafen you saved only about - -
- A. I would say one-sixth of the whole investment.
- Q. Now, Dr. ter Meer, I think it is clear that the purely technical theoretical solution of the Buna process was in your hands already in the 20's. Is that correct?
- A. Yes and no. We had in the 20's developed the Four Steps Process and were on the point to build a small plant - -
- Q. Would you call that a pilot plant?
- A. Yes, we were on the point of building a pilot plant of, I believe, 100 tons a month capacity in one of our carbide factories at Knapsack, but this was only a plan in 1929 and it was not carried through because of the beginning of the crisis and the decline of the price of natural rubber. So,

page 7 of original

as a matter of fact, we had in the end of the 20's our experimentation developed to a point where we could go into pilot manufacture. But the rubber which was made according to the stand of our knowledge at that time was Buna 85 which is a substitute for natural rubber and is in most qualities inferior to natural rubber. In about 1927 the Buna S process was invented and now we went to work on the Buna S because our experiments had shown that Buna S was in some features superior to natural rubber.

page 7 of original cont'd

And owing to the very low price of natural rubber in the years 1930 to 1933, there could only be a possibility of competing against the natural production by better quality. Now this development of Buna was on a very small scale during the crisis. We could not spend so very much money and it took a number of years so that we were only in 1935 ready to build a pilot plant of 200 tons a month which was carried out at Schkopau, using the same Four Steps Process already invented in the 20's but brought to a higher performance through additional work carried out about 1930 to 1934. Do you think that is correct?

Q. That is absolutely correct. Could you tell me very shortly the attitude of Dr. Bosch with regard to Buna rubber?

A. Yes, sir. Bosch was certainly very enthusiastic about the whole work done on Buna. In 1928 when he knew that we were considering the construction of the pilot plant at Kampsack, he already mentioned our work on Buna to Mr. Teagle of Standard Oil and made the suggestion that a corporation between I. G. Farben and Standard Oil under the terms of the Jasco agreement should be taken up for Buna. Bosch has, in the following years, taken highest interest in our work on Buna and as well by personal conferences which I had with him as well as in the Heidelberg conferences, he always followed up with highest interest our work on Buna. I dare say

page 8 of original

that I had in Bosch my best advisor and supporter for the Buna policy of I.G. Farben.



page 8 of original cont'd  
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Q. Thank you. I am referring now to the development of the production of synthetic gasoline. In 1933, as you know, Dr. Bosch had worked out with Gottfried Feder the gasoline contract. Why was at the same time not also Buna rubber taken up on the same level?

A. Now, there was one big difference between the two problems. The first gasoline plant of 100,000 tons a year had been built in 1927 and when conditions came along in Germany which permitted to increase the manufacture of autarchy products, then it was a comparatively easy thing to increase synthetic gasoline to a higher production. But with Buna it was different. Bosch was well informed about the stand of our experiments and knew quite well that in 1933 Buna was not yet ready and, as a matter of fact, we had still to carry on experimental work until the summer of 1935, at which time we then agreed with Keppler to build the Schkopau works.

Q. So if I understand you correctly, in reaching self-sufficiency in certain products. In the case of gasoline what you needed was simply a guarantee with regard to the sales of your product which was, from the technical point of view, a solved problem, whereas in the case of Buna, for instance, what you needed was still experimental work and if you needed any help, it was help with regard to your research and experimental work.

A. That is right, sir.

Q. So it is natural that in 1933 and 1934, the Ministry of Economics which, as such, at least at that time, was not interested in developing new things but was interested only

page 8 of original cont'd

in a real production. You had no reasons to treat with the Ministry of Economics but only with such agencies which were interested by their very nature already in experimental and development work.

page 9 of original

A. Yes, that is right, sir. And what we needed specifically was help in road tests for tires which were made with Buna.

Q. And here, of course, other agencies had to come in which was in this case the HWA (Army Ordnance Office), whereas the Reich Ministry of Economics did not even have an agency for such purposes at that time?

A. May I just say one sentence. You are quite right that the Ministry of Economics at that time did not take any step that I recall. But the question of synthetic rubber had already been raised in the German press. I do not know exactly who has been the originator of such press comments. I believe it was partly the old Professor Hoffman who at that time was professor at Breslau, and probably some information from our laboratory leaked out by party members who had connections with the Gauwirtschaftsberater (Gau Economic Advisors) because the idea of including synthetic rubber in the autarchy program was already more or less known in Germany in 1934 and was discussed in a ZA meeting of I.G. Farben in the presence of Professor Bosch.

page 9 of original cont'd

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Q. I think we had better stop. Thank you very much. I hope  
we can continue tomorrow.

signed Dorothy Adams,  
Reporter

signed Dr. Fritz ter Meer

Proof reading and  
correction completed.

signed Jan Charnatz,  
Interrogator

2 May 1947

signed Drexel A. Sprecher,  
Interrogator

signature

" A CERTIFIED TRUE COPY "

- 11 -  
END

23

Minutes

of the first meeting of the Aufsichtsrat of the Chemical Works  
Huels G.m.b.H. on Tuesday, 8 November 1938 in Dusseldorf.

- - - - -

Present:

Of the Aufsichtsrat: Director Dr. ter Meer  
Landrat Dr. Tengelmann  
Director Dr. Ambros  
Director Bruening  
Ministerial Councillor Dr. Buhl  
Director Dencker  
Ministerial Councillor Firmen  
Director Dr. Gort.

Of the Management: Dr. Hoffmann  
Dr. Guenther

also present as a guest Dr. Voss (Hibernia)

Agenda

1. Election of the chairman and the deputy chairman.
2. Approval to grant "per procuration" and negotiating powers.
3. Report on state of contract negotiations with the Reich.
4. Question of an increase in capital.
5. Report on state of construction work.
6. Miscellaneous.

1. Dr. ter Meer opens the meeting shortly after 15:30 hours and requests Mr. Dencker to undertake the recording. On a proposal of the meeting Mr. ter Meer is unanimously elected as chairman and Landrat Dr. Tengelmann as deputy chairman of the Aufsichtsrat and it is decided to extend his term of office until the date when the balance sheet for the year 1939 is approved by the members of the company.

2. The Aufsichtsrat notes that Messrs. Dr. Ambros and Bruening have resigned from the management and have been elected to the Aufsichtsrat. Messrs. Dr. Hoffmann and Dr. Guenther are appointed managers. The granting of per procuration powers to Messrs.

Dr. Baumann  
Dr. Becker  
Dr. Doering  
Husung

as well as authorization to act on behalf of the firm to Dr. Sellin is



(page 2 of original)

approved. If it should prove useful to grant per procuration powers to Dr. Ecarius also, this is also approved. Dr. Ambros undertakes to clarify the matter whereby unanimity exists that Dr. Ecarius will only be active for the company for a transition period which will terminate in the course of the first half year of 1939.

3. Dr. ter Meer reports on the state of negotiations with the Reich and the contents of the contracts, the conclusion of which will take place in due course. The money requirements, after the extension of the plant to provide for a capacity of 30,000 tons of Buna per year instead of the originally intended 15,000 tons of Buna per year are estimated at

RM 130 millions for the construction  
RM 10 millions for the running of the plant.

This amount includes the increase of the cross-section, management expenses (Reichkosten) and interest for the period of construction. The working capital must be supplied by the members of the company while the construction costs will be born, in a proportion of approximately 1:3, by the partners on the one hand and the Reich or a banking syndicate to which the Reich will give a guarantee, on the other hand. The question of settlement of expenses in excess of the estimates will be discussed with the Reich.

4. Of the estimated expenses the members of the company will have to supply the following:

|                      |                   |          |
|----------------------|-------------------|----------|
| for construction     | RM 32.5 millions  |          |
| for running of plant | RM 10.- "         |          |
| together:            | RM 42.5 millions. | x) Note. |

Consequently, apart from the capital of the company, fixed at present at RM 30 millions, probably a further 12.5 millions will have to be provided. It has been decided to raise the capital up to this amount,

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x) Note:

According to the discussion on 12 November 1938 with the Office for Economic Development the figures are somewhat altered, as Huels, apart from the working capital of RM 10 millions, will have to provide RM 33.75 millions for buildings, making a total of RM 43.75 millions, whilst Reich loans and loans guaranteed by the Reich will produce 96.25 millions.

Further alterations will result from expenses for the construction of dwellings and from other possible expense in excess of estimates.

(page 3 of original)

if need be, but with the reservation on the part of the Hibernia representatives, that their Aufsichtsrat consents.

5. An inquiry of the Steag is submitted as to what securities the members of the Huels company will be able to give for a credit for which the Steag is negotiating with a banking syndicate. In this respect it was decided to reject the request and to have Dr. Guenther investigate what financial obligations would be incurred by the company through the Steag's banking credit. According to a statement made by Dr. ter Meer a debit-charge exceeding 5 % of the annual average, has not yet been approved.

The Steag-contract provides for the rent, payable by Huels, to be discharged in equal annual installments. As the factors of which the lease is comprised cannot possibly be correctly calculated in advance it was decided to have the draft-contract decided on this point.

It is noted that the drafts of the Schelven/Huels gas-delivery-contract, the I.G./Huels building contract and the I.G./Huels licence contract are approved, and consent is given for them to be signed.

Dr. Puhl states that a loan agreement with the Army Ordnance Office (Heereswaffenamt) is in preparation for the Ethylene Oxide plant and that this equipment will be guaranteed, initially, for two years by corresponding assets.

A draft-agreement with the Reich for the special plant to be erected is not yet available.

6. To the question whether, as regards the tax laws, an "organ" relationship (Translator's note: relationship whereby parent firm receives profits and assumes responsibility for liabilities of auxiliary) exists between Huels and I.G., no final opinion is expressed after a discussion between Dr. ter Meer and Dr. Tengemann.

The question of property rights to the real estate on which Huels will build has in principle been settled between the I.G. and Hibernia with the result that the real estate is to be ceded by way of the hereditary building contract (Erbbaurecht). Thereby the hereditary building contract is to be drawn up, as regards duration and contents, in such a way that the legal position of Huels, and thus that of the Hibernia as partner, will be guaranteed in every way.

7. Dr. Hoffmann reports on the state of the building work. The orders for the power station, the water works and the electric arc construction

(page 4 of original)

have been placed. Furthermore two factory-workshops are under construction as well as the laboratory and administrative building which, presumably, will be ready for occupation by the middle of next year. Apart from this it is estimated that, gradually, about the end of 1939, it will be possible to start operating the plant.

End of meeting at 16.45 p.m.  
signed ter Meer, Chairman

signed Doncker  
Recorder

TRANSLATION OF DOCUMENT No. NI-6142  
CONTINUED Y

CERTIFICATE OF TRANSLATION  
OF DOCUMENT No. NI-6142

28 May 1947

I, John FCSBERRY, 20179, herewith certify that I am thoroughly conversant with the English and German languages; and that the above is a true and correct translation of the document no. NI-6142.

JOHN FCSBERRY  
20179

END

94

TRANSLATION OF DOCUMENT No. NI-6142  
CONTINUED 1

CERTIFICATE OF TRANSLATION  
OF DOCUMENT No. NI-6142

28 May 1947

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JOHN FOSBERRY  
20179

END

27



Rubberstamp of the  
Finance Office Muenster  
Date 3 April 1939  
Duty stamp

R.B. 49  
22 November 1938

46/ni

Agreement

between the

Deutsche Revision- und Treuhand-Aktiengesellschaft, Berlin  
( " Treuarbeit " )

in the name and on behalf of the German Reich, represented by the  
Reich Minister of Economics and the Reich Minister of Finance

on the one hand

and the

Chemische Werke Huels G.m.b.H., Marl. ( " Huels " ).,

the I.G. Farbenindustrie Aktiengesellschaft, Frankfurt/Main ( " I.G. " )

and the Bergwerksgesellschaft Hibernia A.G. Horne/Westphalia  
( " Hibernia " )

on the other hand.

Introduction.

- I. Herewith the Reich concludes simultaneously with Huels, I.G. and Hibernia an agreement for the financing of the Buna-plant II to be set up by Huels in Marl. Subsequent to this Buna-plant the setting up of an additional plant, which is to be supplied with Ethylene from the Buna-plants, is planned. Those parts of the Buna-plant, including the auxiliary plants, used for the manufacture of Ethylene from hydrocarbon must, therefore, be enlarged from the start. ( enlargement of cross section. ) The financing of this cross section enlargement is the object of this present loanagreement.

( page 2 of original )

An agreement has already been made up to approximately the end of 1942 with regard to the Ethylene which will be gained through the enlargement of the cross-section. Furthermore, Huels will inform the Reich through the Reich Minister of Economics of the intended use of the Ethylene gained through the enlargement of the cross-section.

( page 2 of original, cont'd )

- II. The cross-section enlargement will be carried out within the framework of the economic development. The management of the enterprise will always keep this basic thought in mind and, in particular, run the works according to the principles of National Socialist world ideology. The same principles are to be applied to the formulation, fulfillment and interpretation of this agreement, whereby consideration should be given, in particular to the purpose and economic import of the agreement within the scope of economic development, the development of economic conditions and national ideology.

Under the above mentioned conditions the following is agreed upon :

Par. 1. Reason for granting the loan.

- I. The I.G. undertakes on the basis of a building agreement to be concluded with Huels to carry out the enlargement of the cross-section within the framework of the Buna-installation with the greatest possible dispatch and economy. The I.G. guarantees the operating efficiency of the cross-section enlargement.

( page 3 of original )

- II. The necessary sum to be invested for the cross-section enlargement, including charges of auxiliary plants, amounts, according to the estimates submitted to approximately RM 15 million.

Par. 2. Granting of the loan.

- I. The Treuarbeit guarantees that for this investment Huels will be given a loan guaranteed by the Reich ( R.B.-loan) amounting to RM 15 million which will be made available by a banking-syndicate ( grantor of the loan ).
- II. The loan can be drawn on according to the building progress of the first stage of development of the Buna-installation to a production capacity of 15,000 tons of Buna S per year. Huels will submit to the Treuarbeit, in good time, a statement of money requirements, in order that the loan may be more easily made available.

Par. 3. Agreement in regard to interest and redemption.

The RB-loan conditions, in regard to the banking side of it, will be determined individually in a loan agreement to be concluded between Huels and the grantor of the loan. The following conditions, however, hold good for the payment of interest and the redemption of the loan.

( page 3 of original, cont'd )

I. For the amount actually drawn from the R.B. loan Huels shall pay interest which will be 1% above the yearly rate of interest of the Reichsbank plus  $3\frac{1}{4}$  % for administrative charges. The interest for cash amounts drawn from the loan and the administrative charges are payable retrospectively every 6 months. In addition to this payment will be made to the Trustee for its activity in the capacity of trustee; it amounts to  $\frac{1}{2}$  % of the sums actually drawn from the R.B.-loan and is payable retrospectively every 6 months.

( page 4 of original )

II. The R.B.-loan will be redeemed by Huels in 20 equal half-yearly instalments: the first instalment is payable on 30 September 1940, the last one on 31 March 1950. Thereby it is a condition that operations on the first stage of construction of the Buna-installation will commence in the middle of 1940. Should the start of operations on the first stage of construction of the Buna-installation be delayed until 1 July 1940, for reasons not approved by the I.G. and/ or Huels, the first repayment will be postponed accordingly until after 30 September 1940; however, the condition that the loan must be redeemed by 31 March 1950 remains unchanged, so that, owing to the postponement of the payment of the first instalment, the individual half-yearly instalments will increase accordingly. A premature, even partial, repayment is permissible at any time 1 month after Huels has informed the grantor of the loan, if necessary on the condition that this be charged against later redemption-instalments to be laid down by Huels.

III. If, contrary to expectations owing to measures carried out by the Reich, economic Buna-production cannot be continued at Huels, and should the operation of the cross-section enlargement be affected thereby, an agreement is to be reached in regard to the consequences in connection with the redemption of the loan, between the Reich and Huels, which will make due allowances for the situation.

( page 5 of original )

#### Par. 4 Insurance.

To insure the Reich's claims in regard to any possible use of their guaranty the I.G. and Hibernia herewith undertake to guarantee payment personally, in proportion to their capital participation. ( I.G. 74%, Hibernia 26% ).

( page 5 of original, cont'd )

Par. 5. Auditing rights.

The Reich Ministry of Economics and the Supreme Auditing Court ( Rechnungshof ) of the German Reich have the right to examine the books or investigate the operation of the plant at Huels at any time, either through their own representatives or, if necessary, through special experts who are not considered as competitors in Buna-production to determine whether the loan was used within the framework of the entire installation, and whether the question of a claim on the Reich might arise or the conditions for such exist or have existed.

Par. 6. No Subsidized Enterprise.

The companies do not through the granting of the loan guaranteed by the Reich become subsidized enterprises within the meaning of the fourth part chapter V of the Decree for Economic Revival of 4 September 1932 ( RGB L.I/425 ) issued by the Reich President.

Par. 7. Competent Court and Costs.

I. the competent court is Berlin.

( page 6 of original )

II. All costs for document tax, auditing etc. arising from this agreement will be borne by Huels.

Marl, 14 March 1939

CHEMISCHE WERKE HUELS G.m.b.H.

( signature ) Dr. Fünke ( signature ) Mollmann

Frankfurt/Main, 13 March 1939

I.G. FARBEINDUSTRIE AKTIENGESELLSCHAFT

( signature ) ter Meer ( signature ) Bahl

Herno/Westphalia, 13 March 1939

BERGWERKSGESELLSCHAFT HIFERNIA A.G.

( signature ) illegible ( signature )  
per pro. W.V. von Neack

Berlin, 20 March 1939

DEUTSCHE REVISIONS- und TREUHAND-  
AKTIENGESELLSCHAFT

( signature ) illegible ( signature ) per pro. Magd



CERTIFICATE OF TRANSLATION

27 May 1947

I, John FOSEBERRY, Civ.No. 20 179, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of the document No. NI-6145.

.....  
John FOSEBERRY, Civ.No. 20 179

TRANSLATION OF DOCUMENT No. WI-6109  
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES

46/MI.

Stamp Duties  
Fixed at RM 162 500  
Bochum 13 March 1939  
Financ. Office  
Initials: Illegible

E.A.116

4.3.39

162 500 - RM Stamp Duties

B 15 39.

3

C o n t r a c t

between the

German Reich, represented by the Reich Minister for Economic  
Affairs and the Reich Minister of Finance,

and the

Chemical Works HUELS G.m.b.H., Marl (HUEL),  
the I.G. Farbenindustrie Aktiengesellschaft, Frankfurt/M. ("I.G.")  
and the Mining Company Hibernia A.G., Essen Westf. ("HIBERNIA").

Preamble.

- I. It has been decided to construct, in the interests of economic reconstruction, a second major plant (Buna-Plant II) for the production of synthetic rubber (Buna, a trade mark registered for I.G.) which is to have a production capacity of 15,000 tons Buna S per annum in its first phase of construction and an additional capacity of 15,000 tons Buna S per annum in its second phase. It is therefore planned to reach a production capacity of 30,000 tons Buna S per annum altogether. The term Buna S also includes changes in the quantitative proportions of Butadiene Styrol, as well as such further developments of the Buna S type which can be effected without recourse to major additional investments. The site of the new installation is at Marl (Muhl district). The main source of raw materials are the resultant gases from the hydrogenation of coal at Scholven.

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TRANSLATION OF DOCUMENT No. NI-6109  
CONTINUED

(page 1 of original)

- II. The chemical works HUELS G.m.B.H. shall be in charge of the enterprise. HUELS has been founded with an original capital of RM 30 million, of which RM 22,2 million are provided by I.G. and RM 7,8 million by Hibernia. An increase of the original capital to RM 40 million is planned. Pending the repayment of the Reich Loan the terms of which are laid down in this contract, I.G. and Hibernia shall not dispose of their shares without the permission of the Reich.
- III. A supplementary plant shall be constructed adjoining the Buna plant which is to be supplied with ethylenes by the latter. Those sections of the Buna plant including auxiliary installations which are designed for the production of ethylenes from hydrocarbons, must therefore from the very beginning, be constructed on a larger scale (Querschnittserweiterung). The provision of funds for this cross section amplification will be regulated by a special contract.
- IV. Whatever HUELS undertakes shall be dictated by the interests of economic development. The management of the enterprise will always keep in mind this basic underlying thought and will pay particular attention, in running the factory, to the postulates of National Socialist ideology ("Weltanschauung"). The drawing up, the execution and interpretation of this contract shall be guided by the same principles, attention to be paid particularly to the purpose and the economic significance of this contract in connection with economic development, to changes in economic conditions and to public opinion. Upon this premise, the following is agreed:

(page 3 of original)

Article 1. Reason for Grant of Loan

I. I.G. undertakes to construct Buna plant II, in accordance with a building contract to be made with HUELS, with the greatest possible speed and the utmost economy, to attain a production capacity of 15,000 tons Buna S per annum in the first phase of construction and of an additional 15,000 tons Buna S per annum in the second phase, i.e. of a total of 30,000 tons per year. The plant is scheduled to start production at lower rate, on completion of Phase I of construction in the Summer of 1940, and at the full rate of production on completion of Phase II in the Summer of 1941.

I.G. shall be responsible for the efficient operation of the Buna plant and for the attainment of the above-mentioned production capacity of 15,000 or 30,000 tons Buna S per annum respectively HUELS, as well as, I.G. shall be responsible to the Reich for maintaining a high standard of quality in the manufacture of Buna S for the duration of the loan, with due regard to technological advances; small variations of quality, similar to those occurring in natural rubber, shall not be considered as violations of that undertaking.

II. The capital needed for the erection of Buna plant II, (including supplementary installations such as work shops, water works, communal buildings (excluding factory billets) etc.), for the Cross Section Amplification and, finally, the working capital required, amounts to a total of about RM 140 million, according to the estimates so far received.

(page 4 of original)

This sum shall be allotted provisionally in the following way:

- |                                |                                   |
|--------------------------------|-----------------------------------|
| 1. Buna plant II,              | RM 115 million approx.            |
| 2. Cross Section Amplification | RM 15 million approx.             |
| 3. Working capital,            | RM 10 million approx.             |
|                                | <del>RM 125 million approx.</del> |

The Assessment of costs of construction at RM 130 million includes interest on building capital.



(page 4 of original cont'd)

Article 2. Grant of Loan.

I. Of the total capital of RM 120 million HUELS shall provide the working capital of RM 10 million and a sum of RM 33,75 million being part of the factory capital. The RM 15 million of the factory capital which are to be set aside for the Cross Section Amplification, shall be raised by a special loan agreement. The remainder of the factory capital amounting to RM 81,25 million shall be put at the disposal of HUELS as a loan from the Reich in accordance with this contract.

II. Should it be found upon completion of the installation that the total construction costs (see Article I, Para. II, sub paras. 1 and 2) are below RM 130 million, the Reich loan of RM 81,25 million shall be decreased, accordingly. Should the actual costs of construction exceed the estimated sum of RM 130 million, HUELS shall make arrangements with the Reich for the provision of additional funds. The proportion in which such additional expenses as may prove inevitable shall be defrayed by HUELS and the Reich shall be fixed as 1:1,6. It is mutually agreed upon, however, that the Reich shall only share additional expenses in the proportion laid down if the costs of

(page 5 of original)

construction are considerably higher than RM 130 million.

III. Having invested RM 7,5 million (1/4 of its present original capital), HUELS shall be entitled to draw on the loan, within the limits of their actual requirements from time to time, subject to the preservation of the proportion between the remainder of the capital to be invested by HUELS (RM 26,25 million) and the total credit of RM 81,25 million. To facilitate provision of funds by the Reich HUELS shall submit details of requirements in good time.

(page 5 of original cont'd)

Article 3. Conditions of Loan.

I. HUELS shall pay 5% interest on the loan per annum; interest to be paid retroactively on the last day of any given 6 months' period.

II. HUELS shall repay the loan in twenty equal half-yearly instalments, the first being payable on 31 December 1942 and the last one on 30 June 1952. This is based on the assumption that the whole installation will start operation at the time mentioned in article 1, I, i.e. the Summer of 1941. Should the opening of the factory be delayed beyond the 1st July 1941 by circumstances over which and/or HUELS have no control, the above named dates for the settlement of the loan granted by the Reich shall be changed, accordingly.

Complete or partial repayment of the loan (made, if so desired, in favour of future amortisation instalments to be assessed by HUELS) shall be accepted at any time on a month's notice to the Reich.

(page 6 of original)

III. Should it occur, against expectations, that, because of measures taken by the Reich continued production at HUELS ceases to be economically practicable, HUELS shall have the right to ask for a new agreement with the Reich concerning re-payment of the balance of the loan, which will do justice to the situation.

Article 4. Guaranty.

I.G. and Hibernia take upon themselves a guaranty of payment (selbstschuldnerische Buergschaft) to insure payment of interest rates and loan instalments at the proper dates in proportion to their share in the capital (I.G. 74% and Hibernia 26%).

Article 5. Right of Examination.

The Reich Ministry for Economic Affairs and the Supreme Auditing Court of the Reich shall have the right to examine at any time the books and plants of HUELS through their own officials or through specialists, provided the latter cannot be considered as competitors in the field of Buna production in order to determine whether the loan has been used according to the provisions of this contract and whether there can be any question of the claims of the Reich being imperilled or having been so imperilled.

(page 6 of original cont'd)

Article 6. No Subsidized Enterprise.

This loan shall not make the companies subsidized enterprises in the meaning of the part 4, chapter V of the decree of the Reich president for the stimulation of the commerce, dated 4 September 1932 (R.G.Bl. I/S.423). (Reich Law Bulletin)

(page 7 of original)

Article 7. Competent Court and Fees.

I. Competent court is at Berlin.

II. All expenses resulting from this contract for document fees, examinations and similar matters shall be borne by HUELS.

Berlin, 28 March 1939  
For the Reich Minister of Economics  
signature : M. Panzerer (?)  
Stamp of Economics Ministry  
Berlin, 6 April 1939  
For Reich Minister of Finance  
signature Reinhardt  
Stamp of Reich Finance Ministry.

Marl, 14 March 1939  
Chemical Works HUELS, G.m.b.H.  
Signature: Dr. Guenther Hoffmann

Frankfurt a.M., 13 March 1939  
I.G. Farbenindustrie  
Aktiengesellschaft  
Signature: ter Meer Buhl

Herne i. Westf., 13 March 1939  
Bergwerksgesellschaft  
Hibernia A.G.  
Signatures:  
(illegible) -ppa. W. von Moock

TRANSLATION OF DOCUMENT No. NI-6109  
continued

Letter A Block No. 0090 Sheet No. 06

DOCUMENT FEE.

162 500 RM document fee

in letters One Hundred sixty-two-thousand and  
five hundred

fee received

Registered: Ur No. 549/ IV / 1938

Bochum, 16 March 1938  
(Place, day, month, year)

Finance office . . . . . Bochum

(Treasury)

Stamp of Bochum finance  
office

signature: illegible  
Chief cashier

signature:  
Folgn  
Cashier

CERTIFICATE OF TRANSLATION

29 May 1947

I, Leonhard LAWRENCE, Civ. No. D - 486 798, hereby certify that  
I am thoroughly conversant with the English and German languages  
and that the above is a true and correct translation of the  
document No. NI-6109.

Leonhard LAWRENCE  
Civ.No. D-486 798



TRANSLATION OF EXCERPTS FROM DOCUMENT No. NI-6143  
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES

Copy

Dresdner Bank  
Syndicate- Division II.

Berlin W.8, 4 April 1939  
La/sch.

To  
the Company Directors of the  
Huels Chemical Works G.m.b.H.  
M.R.L.

Subject: Raw material-syndicate credit.

The Reich Minister for Economics and the Reich Minister of Finance have commissioned the Deutsche Revisions- und Treuhand-Aktiengesellschaft, Berlin, to assume responsibility to them, amongst other things, for the guaranteeing to their company of a credit of up to

RM 15,000,000.-

on the part of a banking-syndicate.

They will set up Buna-Plant II in Marl and subsequent to this they have planned the construction of a secondary plant which would be supplied with ethylene by the Buna-Plant. These sections of the Buna-Plant, including the auxiliary plants, which work on the production of hydro-carbons from ethylene must for this reason be built much larger from the outset (cross-section extension). The I.G. Farbenindustrie Aktiengesellschaft, Frankfurt am Main, has bound itself to carry out the cross-section enlargement with the greatest speed and the utmost economy, within the framework of the Buna-Plant, on the basis of a building contract to be concluded with its company, and has undertaken to stand surety for the operational efficiency of the cross-section extension. According to the estimates in hand the amount of the investments needed for the auxiliary plants necessarily involved in this cross-section extension was up to about 15 million Reich marks.

(page 2 of original)

In these circumstances we hereby declare ourselves prepared to place at your disposal credits, in the form of either cash or discount credits, up to 15,000,000 RM (in words, fifteen million Reich marks) in your name and to the account of one of the syndicates under our control, in which, excluding joint-liability, the banks listed in the enclosure participate in the ratios quoted, under the following conditions:-----

TRANSLATION OF EXCERPTS FROM DOCUMENT No. NI-6143  
CONTINUED

(page 6 of original)

-----We respectfully request you to confirm to us your agreement with the contents of this letter, whereby the understanding on the subject of a later arrangement of technical details between you and our institute, as representative of the banking syndicate, is still to be reserved.

Heil Hitler!  
DRESDNER BANK  
signed: Signatures.

(page 7 of original)

ENCLOSURE

to the letter of 4 April 1939 to the management of the  
Huels Chemical Works G.m.b.H., Marl.

|   |                 |
|---|-----------------|
| Dresdner Bank, Berlin (Head Office)               | 17,242 %        |
| Allgemeine Deutsche Credit Anstalt, Leipzig       | 3,448 %         |
| Bank der Deutschen Arbeit A.G., Berlin            | 17,241 %        |
| Deutsche Industriebank, formerly                  |                 |
| Bank fuer deutsche Industrie-Obligationen, Berlin | 10,345 %        |
| Commerz-und Privatbank Aktiengesellschaft, Berlin | 10,345 %        |
| Deutsche Bank, Berlin                             | 17,241 %        |
| Prussian State Bank (Maritime trade) Berlin       | 13,793 %        |
| Reichs-Kredit-Gesellschaft Aktiengesellschaft     |                 |
| Berlin  | <u>10,345 %</u> |
|   | 100 %           |

TRANSLATION OF EXCERPTS FROM DOCUMENT No. NI-6143  
CONTINUED

(page 9 of original)

Copy

CHEMISCHE WERKE HUELS  
Gesellschaft mit beschränkter Haftung.

Harl, 6 April 1939  
Kl.-Hu/Hoe

Registered!

Dresdner Bank  
Berlin 11 3

Subject: Raw material-syndicate credit.

We thank you for your credit offer to the extent of 15,000,000 Reich Marks sent to us with your letter of the 4th inst., - and assure you, in accordance with your wishes, that we are in agreement with your conditions of credit, as also with the contents of the accompanying letter.

We are pleased to note that you will place a portion of the sum, i.e.

2,800,000 Reich Marks

at our disposal by 15 April 1939, and beg you to credit half this sum to our newly established account with the Dresdner Bank in Essen, and half to our account with the Deutsche Bank in Rocklinghausen.

We shall at once make out the acceptances, to the extent of 289,660 Reich Marks, demanded by the Deutsche Industriebank, Berlin, as at 31 July 1929 and send them to you, stamped by the 13th inst.

Bills of exchange for building materials are not at our disposal at the moment.

We append the following documents to our letter:

- 1) 1 confirmation of the general business conditions, imposed by you.
- 2) 1 certified extract from the commercial register which we should like returned to us after perusal.

CHEMISCHE WERKE HUELS  
Gesellschaft mit beschränkter Haftung  
signed: Dr. GUENTHER, signed per pro. HUSUNG

CERTIFICATE OF TRANSLATION

28 May 1947.

I, John FOSBERRY, Civ. No. 20179, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of Excerpts of Document No.

NI-6143.

John FOSBERRY  
Civ. No. 20 179.

The Reich Minister of Economics  
IV Fin 2/ 3783/39  
Please quote this reference and  
the subject in further correspondence

Berlin W 8, 3 July 1939  
Behrenstrasse 43  
Tel: Collective No. 164351

To the  
Chemical Works Huels G.m.b.H.  
Attention of Director Dr. ter Meer,  
Karl,  
Kr. Rocklinghausen

Subject: Buna II.

Reference : your letter dated 22 April 1939  
-- Dr. G./Stl. --

-----

You waived your claim to a sales- and price guarantee by the Reich for the Buna II- installation. I therefore agree to ensure that in case of a decrease of the Buna-sales in Germany Huels' share will quantitatively only be affected to the extent which corresponds to the proportion of its output when compared with the output of other Buna-installations already established or yet to be established within the scope of the Four Years' Plan. The computation of comparative figures for Huels for the first and second stages of development will be based on a maximum monthly output of 3000 tons of Buna. This information remains applicable until 30 June 1952.

( Pencil note):  
out of date

In connection with the agreements arrived at I am assuming that the rubber-import trade will be given the opportunity to take part in marketing under the conditions as laid down in the correspondence with the I.G. Farbenindustrie A.G. Furthermore I agree with you that Huels should also receive a share of the annual allowance of RM 3,000,000.- granted for the purpose of experimentation and development.

( page 2 of original )

I have passed on to the Reich Commissioner for Price Control your request to repeat directly to you his statement of 13 January 1938, the purpose of which is modified through changed conditions and the altered agreement-basis, i.e. through the fact that the sales guarantee by the Reich no longer applies. I should like to point out that the balance between the factory proceeds, as approved by the Reich Commissioner for Price Control, and possible higher proceeds obtained through a higher selling price as permitted by the Reich has to be surrendered to the Reich or to an office



TRANSLATION OF DOCUMENT No. NI-6139  
CONTINUED

(page 2 of original, cont'd)

designated by the Reich as long as a sales- and price guarantee by the Reich is in existence for any other Buna-works.

I have asked the Reich Minister of Finance to request the Reich Monopoly Administration, in agreement with the Reich Commissioner for Price Control to take over the resultant gasoline at Huels under conditions similar to those applying to Schkopau.

By order

signed: Lange

Certified:

stamped:

signature: Wimmer  
Inspector of Taxes

Reich Ministry of Economics

-----

CERTIFICATE OF TRANSLATION

20 May 1947

I, ARTHUR MACNAMARA, Civ. No. 20 191, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of the document No. NI-6139.

.....  
ARTHUR MACNAMARA, Civ. No. 20191

I. G. Farbenindustrie  
Aktiengesellschaft  
Office of Technical Committee

Frankfurt/Main 20  
Grüneburgplatz  
17 November 1939

Rubber stamp:  
Secretariat  
Prof. Leutenschläger  
Recd. 18 November 1939

To

|                                  |              |
|----------------------------------|--------------|
| Director Dr. Ambros              | Ludwigshafen |
| Initial: L: Director Dr. Wurster | Ludwigshafen |
| Prof. Dr. Leutenschläger         | Kochst       |
| Director Dr. Jacobi              | Mainkur      |
| Director Dr. Kuehne              | Leverkusen   |
| Initial: Ge Dr. Boehme           | Leverkusen   |
| Director Dr. Haberland           | Urdingen     |
| Director Dr. Burgin              | Bitterfeld   |
| Director Dr. Schoener            | Wolfen-Elber |

Subject: Russia-Negotiations

Enclosed please find copy of a letter to Prof. Dr. C. KLAUSE dated 15 November 1939 which contains a preliminary comment of Sparte II in regard to the imminent negotiations with the USSR delegations.

With the concurrence of Dr. KUEHNE, Dr. KLAUSE-Leverkusen, who, during the years of 1925-1930, was already in charge of the cooperation between I. G. works and Russia, has been delegated to take part in all discussions and inspections of the Russian delegations, as far as processes and plants of Sparte 2 are concerned; it is intended, in this way, to ensure that in all negotiations the same basic principles will be observed and that during inspections of the various works a uniformly reserved attitude will be observed.

I request that the Office of Technical Committee, with which Dr. KLAUSE will also keep in constant touch, should be informed immediately in each case of all events, plant inspections, negotiations etc..

(signature) ter. EER

Enclosure.

TRANSLATION OF DOCUMENT No. NI-6505  
CONTINUED

A. G. Farbenindustrie  
Aktiengesellschaft  
Office of the Technical Committee

Frankfurt. Main 20, 15 November 1939  
Grueneburgplatz

in pencil: submitted 20 November  
39

Copy

Prof. Dr. C. K R A U C H,  
Plenipotentiary general of the  
Minister President Fieldmarshal GOERING  
for Special Questions of Chemical Production.

Berlin W 9  
Seerstrandstrasse 128

Subject: Negotiations with the Delegations of the USSR.

We permit ourselves to forward, enclosed, for Sparte 2 of our firm comments and proposals which refer to the list of chemical installations submitted to us and which the USSR wish to obtain from Germany; furthermore we are submitting a few proposals which fall within the scope of the required 13 projects of most up to date manufacturing methods of the chemical industry.

With regard to the basic principles of the matter we would like to draw attention to the following:

1.) As far as we have been informed the wish of the representatives of the USSR is directed towards obtaining from us complete installations which must be ready for use and in the operation of which we shall have to train the Russian workers. Therefore we shall have to carry out, in every single case, the entire construction of the installation, to place contracts for the machines and apparatus to be ordered in Germany, to supervise the acceptance of delivery and shipment to Russia, to set up the installations in Russia under the supervision of our engineers, to start up the apparatus and to train the Russian chemists, engineers, foremen and workers in the use and maintenance of the apparatus. It is obvious that this will impose an extremely severe strain on our engineering and chemical apparatus, which is, in any case already occupied to the fullest possible extent; and it must be determined, in each individual case, whether the work can be done at all, at the present time, without neglecting most important

(Page 2 of original)

tasks of our German Military Economy.

On the assumption that the German military requirements have priority certain works of major dimensions, in certain spheres i.e. in the case of Buna, cannot possibly be undertaken at present and would have to be postponed for 2 years, apart from certain preliminary work and orientations.

(Page 2 of original, cont'd)

2.) In several cases the inspection of installations in our works is extremely risky. There are, of course, cases where installations are so complicated in their technical structure, where specific contacts are necessary, where, owing to the method of procedure, insight into the operational reactions is not possible and where therefore an inspection under the guidance of a suitable person is harmless. On the other hand there are cases where an expert could gain so much information on our working methods while being shown round in our works by a guide that he could, possibly after some delay, carry out the process. Buna S is quoted as an example. The Russians are large-scale producers of Butadien of a satisfactory quality. An inspection of our continuous polymerization-method and finishing process would, therefore, provide them with such extensive information, that they could possibly do without us. In such a case our process would have been surrendered without any reciprocal service being obtained.

3.) We trust that, apart from inspections of certain production installations, a long stay of Russian experts in our plants will be avoided. Quite generally we consider the training of Russian Experts in our works as impracticable.

4.) We expect that it will be possible to come to an arrangement, with regard to the installations to be delivered to the Russians, which will limit the utilization of our process to the Russian home market. It would greatly harm German national economy which needs to export, if goods, in which the German chemical industry leads the world, were exported from Russia to our foreign markets. Furthermore the licencing of such processes in other countries would be made very difficult, if not impossible, if Russia were in the position to export these goods without any restraint.

(Page 3 of original)

Generally speaking we are considering this embargo on export for those chemical goods which are produced in the licenced plants for a long period of 10 to 15 years. Whether this embargo on export should also be applied to finished goods which are obtained in further processes from the chemical products of the licenced plants, (e.g. pressure die cast articles made from Polystyrol), remains subject to further considerations. In some cases it will be necessary to demand an embargo on export for finished goods, e.g. finished motor-tires made from Buna.

We expect further that Russia, in the case of import requirements will give us preference in regard to goods licenced by us.

5.) We should be very pleased if other German firms of the chemical industry were also called upon to make processes available to the USSR. We are inclined to think that other firms are, at present, considerably less busy than we with the installation of new plants.



(Page 3 of original, cont'd)

6.) The processes listed in the enclosure are to be considered as proposals on our part for which the approval of the competent authorities particularly the Wehrmacht must be sought. We should like to emphasize that some products are of considerably military interest, as for instance the production of Monoethylaniline, the principal product for the production of powder stabilizers.

I. G. FARBENINDUSTRIE AKTIENGESellschaft

(signed) ~~W. LEEB~~ (signed) ALBACH

Enclosure

TRANSLATION OF DOCUMENT No. HI-6505  
CONTINUED

Technical Department  
15 November 1939

Enclosure to letter dated 15 November 1939 from I. G. Farbenindustrie  
Aktiengesellschaft regarding negotiations with the USSR Delegations.

1. Draft of the works and equipment for the production of Raw  
Rubber Buna. 1 Enclosure

Russia, as is well known, has developed the Butadien-process from liquid fuel on a large scale. It must be determined whether Russia is also interested in the so-called Four-Stage-Process on a base of either carbide or acetylene.

So far as we are informed, Russia produces only sodium polymerisate, on a base of butadiene. In our opinion the production of Buna S means a reduction in price and an improvement in quality. Even in the event of Russia not being interested in a new Butadien-process, considerable importance will be ascribed to the production of our Buna S as a high-grade tire rubber.

In principle we are prepared to have our processes in this connection licenced as well as the auxiliary products needed for Buna (active gas soot, accelerators, etc.)

2. Plant for deodorization of chloroprene rubber 1 Enclosure

Since we do not produce chloroprene rubber we cannot deliver the required installations.

3. Plant for regenerating old rubber through dissolving, capacity  
5 - 10 tons. 1 Enclosure

4. Plant for continuous vulcanization of woven materials 1 Enclosure

This concerns installations which the rubber processing industry must provide.

5. Plan of the plant and its equipment for the production of 2000  
tons of synthetic urea per year. 1 Enclosure

To be dealt with by Sparte 1.

6. Plan of the plant and its equipment for the production of aniline  
from chlorine benzole, capacity 10 000 tons per year. 1 Enclosure

We do not produce aniline from chlorine benzole and are therefore unable to submit a plan for this aniline process.

(Page 2 of original)

It must be investigated whether Russia might be interested in our aniline process in which the iron used in reduction can be transformed into high-grade iron pigments.

7. The same applies to the production of phenol from chlorobenzol.  
Capacity 6000 tons per year. 1 Enclosure

We agree, in principle, to make our phenol process from chlorobenzol available, but, at the same time, recommend an investigation as to whether the phenol process developed by us deserves preference over benzenesulphonic acid. Location and raw material situation are decisive.

Here we refer also to the Reschig-process.

8. The same applies to the production of Diethyl aniline, Diethyl aniline, monoethyl aniline and monoethyl aniline.  
Capacity 3000 tons 1 Enclosure

We agree, in principle, to make these processes available.

9. The same applies to the production of chlorine benzole ~~by~~ continuous chlorination. 1 Enclosure

We agree, in principle, to make this process available.

10. The same applies to the production of Thioindigo-dyes  
Capacity 250 tons 1 Enclosure

We consider the question in regard to a plant for the production of thioindigo-dyes to be misdirected, since the thioindigo-dyes and their preliminary products are manufactured in entirely different processes and are not confined to one specifically developed group of apparatus as is the case for instance with azo dyes.

We therefore request that this question be disregarded in the negotiations, but agree, in principle, to supply all thioindigo-dye stuffs required by Russia in so far as we produce them ourselves and can produce them in sufficient quantities under the present conditions.

11. The same applies to the production of Batensphitol, Thiuron, Xerol, Diphenylguanidine 1 Enclosure

We agree, in principle, to make these processes available.

12. The same applies to the production of 10 000 - 15 000 tons of concentrated nitrous acid per year 1 Enclosure

To be dealt with by Sparte 1

(Page 3 of original)

13. The same applies to the production of Hydrosulfito by means of an electrolytic process 1 Enclosure

We agree, in principle, to make this process available although it is not being used by us on a large technical scale at present. However, the process has been developed on a technical experimental scale.

1. Installation for hydrogenation of cracking residues for the production of gasoline, 400 000 tons per year. 1 Enclosure

To be dealt with by Sparte 1

2. Plan and equipment of the plant for cellulose wool 1 Enclosure

To be dealt with by Sparte 3, possibly preliminary and auxiliary products of Sparte 2.

3. Plan of the plants, their equipment and installations to adopt the most up to date methods in the chemical industry. 13 Enclosures

We recommend to take up the following processes in the discussions with the USSR delegations:

- a) Gypsum sulphuric acid and modern SO<sub>3</sub> process
- b) Sodium mono-sulphide electrolytically and 100 percent Na<sub>2</sub>S
- c) Chlorine-caustic soda electrolysis according to modern Amalgam method
- d) Modern water purification agents.
- e) Phosphorus and phosphoric and derivatives.
- f) Magnesium electrolytically or thermically
- g) Polystyrene
- h) Polyvinyl chloride.
- i) I. G. wax
- k) Acetyl cellulose including modern acetic acid; anhydride process
- l) chlorinated acetylene derivatives (trichloroethylene, perchloroethylene, etc).
- m) Modern substitute tanning materials of the Tanigun extra class
- n) Modern oxidation catalysis (formaldehyde, phthalic acid)

CERTIFICATE OF TRANSLATION

9 June 1947

I, John FOSBERRY, Civ. No. 20 179, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of document No. NI-6505.

JOHN FOSBERRY  
Civ. No. 20 179



S- 46/G

(Stamp with imprint): 3 Marks document registration  
tax German Reich. (Cancellation stamp reads):  
Stamp duty administrator (Steuernmarkenverwalter) No 921.

B.A.55

24 April 1940

This is to certify that the following  
stamp duties have been paid:  
RM 3.00 for the original  
RM 2.00 for duplicate;  
and that the stamps have been duly cancelled  
Berlin 3 August 1940 W 3

for stamp duty administrator Pickering LL.D (Dr.jur.)  
signed DMM

Contract

between the  
German Reich represented by the Reich Minister for  
Economic Affairs and the Reich Minister for Finance  
(referred to hereinafter as "Reich")

and

the I.G. Farbenindustrie Aktiengesellschaft, Frankfurt/Main  
(referred to hereinafter as "I.G.")

and

Buna Werke G.m.b.H., Merseburg (hereinafter referred  
to as Buna Werke)

Preamble.

In the interests of economical reconstruction and in  
accordance with the wishes of the Reich the IG have constructed  
at Schkopau a major plant with a production capacity of 30 000  
tons per annum for the manufacture of synthetic rubber (i.e.  
"Buna", trade mark registered for IG). Buna Werke G.m.b.H. were  
founded at Merseburg for the purpose of executing the project.

In the months of August and September (16 August to  
20 September) 1937 a contract was made between the Reich

(page 2 of original) (IV Bin 620440)

and the IG regulating the construction, operation and financing  
of the plant. Buna works were made accessories to the relevant  
provisions of the contract. The capital required had been estimated  
at RM 193 000 000 including both the costs of additional plant  
required (i.e. ordinary I.G. plant at Schkopau, and the recon-  
struction of the IG's own power station beyond the premises of  
Schkopau power station) and the working capital: according to the  
contract the Reich put at the disposal of Buna works a loan of  
RM 90 000 000,00 whereas the remainder of the costs was to be borne  
by the IG. The Reich moreover undertook to guarantee sales and  
prices of the product.

(page 2 of original, cont'd)

It is the desire of the Reich that the productive capacity of the Buna plant at Schkopau should be raised from 30 000 tons to 60 000 tons per annum. Production costs, prices and sales situations of Buna having developed considerably more advantageously than was envisaged in that contract, the contracting parties have decided to replace it in toto with effect from 1 January 1940 by the following loan agreement between the Reich on the one hand and IG and Buna Works on the other, excess profits of RM -.70 per kg of Buna sold (difference between old price of RM 3.00 and new price of RM 2.30) accruing during the period 1 January to 31 March 1940 to be credited to the Reich.

On the above premise the following is agreed:

(page 3 of original)

Article 1: Development and operation of Buna plant.

- (1) By means of an amplification of their building contract concluded with Buna Works on 15 June 1937 the IG undertakes to expedite to the best of their ability an increase in the production capacity of the Buna plant at Schkopau to 60 000 tons per annum. IG shall be responsible for the efficient running of the plant and for the attainment of that production capacity.
- (2) IG has made a contract with Buna works according to which it undertakes to put at the disposal of Buna works all those patents, processes, practical experience, (Erfahrungen) and licences now in their possession or to be required in the future, which are required or useful in the manufacture of Buna. The IG further made itself responsible in that contract to Buna works, and herewith undertakes to be responsible to the German Reich until the expiration of the contract, for the further development of the process, and for the working out of a larger variety of industrial uses for Buna and of possible methods of treatment thereof by means of research to that end carried out in their plants and factories.
- (3) For the duration of the loan IG and Buna Works undertake to maintain, with due attention to the latest discoveries of chemical technology, the quality of these products known at different times under different trade marks. Minor variations of quality comparable to those occurring in natural rubber shall not be held to infringe that undertaking on the part of IG and Buna Works.

(page 4 of original)

Article 2: Provision of Capital.

- (1) IG undertakes to provide from its funds the capital estimated at RM 40 000 000,00 for the extension of the Buna plant required to obtain an increase in annual output from 30 000 tons to 40 000 tons.

(page 4 of original, cont'd.)

The costs of a further extension of the plant to obtain an additional increase of 20 000 tons per annum including interest on building loans, costs of plants and building operations, have been estimated at approximately RM 85 000 000,00.

(2) IG and Buna Works undertake to contribute for the extension of existing installations with the object of raising their production capacity from 40 000 tons to 60 000 tons per annum, sums to the amount of RM 67 000 000,00. The IG shall provide RM 50 000 000,00 of that sum by raising the original capital of Buna works G.m.b.H. from RM 20 000 000,00 to RM 100 000 000,00 conditional on the incorporation of Buna Works in IG.

(3) The Reich shall grant a loan of RM 18 000 000,00 to cover the remainder of the sum according to the provisions of article 3.

Article 3: Loan agreement ("Darlehensgewährung")

The grant by the Reich of a loan of RM 18 000 000,00 to Buna works in accordance with the contract mentioned in the preamble, of August and September (16 August/20 September) 1937 shall not be affected by the supersession of that contract by this.

(page 5 of original)

The sum of RM 18 000 000,00 referred to in article 2 para 3 shall be found by non payment of the two first amortisation instalments of RM 9 000 000,00 on the loan of RM 18 000 000,00 due in accordance with the contract of Aug/Sept. (16.8/20.9.) 1937, on 30 June 1940 and 30 June 1941 respectively.

The following regulations shall apply with regard to interest on and amortisation of the loan.

(1) Interest on the loan shall be 5% per annum, interest to fall due on the last day of any given 6 months' period.

(2) Amortisation of the loan to be effected by 10 annual instalments of RM 9 000 000,00 each. The first instalment to fall due on 30 June 1942 the last on 30 June 1951 provided that the plant is ready to set to work at a production rate of 60 000 tons of Buna per annum by the Summer of 1941. Should the opening of the plant be delayed beyond 1 July 1941 owing to circumstances over which IG and/or Buna works have no control, the date mentioned above for amortisation shall be postponed correspondingly. Partial or complete repayment of the loan shall be permitted at any time at one month's notice to the Reich; partial repayment to be effected if so desired in favour of future amortisation instalments to be determined by Buna works.

(page 5 of original, cont'd)

- (3) Should it become impossible, against all expectation, to produce Buna economically at Schkopau, because of measures taken by the Reich,

(page 6 of original)

Buna Werke shall have the right to ask the Reich for a new agreement, having due regard to the exigencies of the situation, to settle the repayment of the sum still then outstanding.

Article 4: Security.

- (1) The Reich shall at any time have the right to have an entry made on the real estate of Buna Werke of a first mortgage to any amount up to RM 90 000 000,00 as security for the claims arising out of the loan. Should the Reich avail itself of that right the IG shall have the right to enter a mortgage up to an amount of RM 90 000 000,00 to rank equally with that of the Reich, as security for its claims arising out of loans already granted or about to be granted. Should the Reich so desire, its right to a first mortgage shall be secured by entering a note to that effect; should the note be entered the right of IG to the entry of a mortgage shall similarly be secured by a corresponding note. The costs of these entries shall be borne by Buna Werke.

- (2) The right of the Reich to entry of a mortgage and if desired of a note shall not be affected by the incorporation of Buna Werke in IG.

(page 7 of original)

Article 5: Right to examine.

The Reich Minister for Economic Affairs and the Supreme Auditing Court of the German Reich shall have the right at all times to examine books and plants of Buna Werke through their own officials or if considered necessary through such specialists who cannot be considered competitors in the field of buna production, in order to make sure that the loan has been used in accordance with the provisions of this contract and that there can be no question of the interests of the Reich being imperilled nor that there is or has been any evidence for such an assumption.

Article 6: Alterations in the participation and credit relationships of Buna Werke G.m.b.H.

IG shall be responsible for preventing the disposal of any or all of the shares of Buna Werke G.m.b.H. during the term of the loan without the approval of the Reich. Any alterations made by Buna Werke in their statutes shall be subject to the approval of the Reich, in so far as such alterations are liable to affect the firm's predominant position in the enterprise ("Bedeutung als Konzern") or its status as contracting party, i.e. in the main any changes in the object of the enterprise or a reduction of the original capital, as well as material changes in its credit relationships other than those with IG; rates of interest charged on credits granted to Buna Werke by IG not to exceed 5%.



(page 8 of original)

Article 7: Subsidies.

By a surrender of the loan the companies shall not become "subsidized enterprises" in the sense of article 4 chapter V of the Reich President's Decree of 4 September 1932 for the revival of commerce (Reich Law Bulletin 1 Page 423).

Article 8: Legal disputes and costs.

(1) The County Court at Berlin shall be the competent court for disputes relating to the existence, execution, or interpretation of this contract, unless alternative methods of litigation are agreed upon.

(2) Any costs arising from this contract such as stamp duties, audits etc. shall be borne by Buna Werke.

Frankfurt/Main, 21 June 1940

I.G. Farbenindustrie Aktiengesellschaft  
(Signature) ter Meer (Signature) ULL

Frankfurt/Main, 21 June 1940

Buna Werke G.m.b.H.  
(Signature) LAROS (Signature) DICKER

Berlin WB, 8 July 1940

for Reich Minister for  
Economic Affairs  
(Signature) (illegible)

Berlin WB, 25 July 1940

Reich Minister for finance  
(Signature) (illegible)

Translator's note on "Ausbau der I.G. Kraftwerke ausserhalb Schkopau's" : document II-6344 page 2 line 5:  
Note the genitive: any other interpretation than that given would seem impossible to the translator. L.J.L.

CERTIFICATE OF TRANSLATION

27 May 1947.

I, Victoria ORTON, Civ.No. 20 129, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of the document No. II-6344.

Victoria ORTON  
Civ.No. 20 129.

TRANSLATION OF EXCERPT FROM DOCUMENT NI-7288  
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES

Secret !

Date stamp:  
Department of the  
Directorate.  
Leverkusen I.G. Werk  
21 Nov. 1941 - 1125

1. This is a secret matter within the meaning of Article 88 of the Reich Penal Code.
2. To be transmitted only under cover; if sent by post, to be registered.
3. To be kept, at the responsibility of the addressee, under lock and key.

I.G. FARBENINDUSTRIE A.G.  
Plastics and Rubber Committee.

Ludwigshafen/Rhein, 21 Nov. 1941/Ro  
No. 108

|   |                |
|---|----------------|
| Dir. Dr. ter MEER,                            | Frankfurt/Main |
| Works Combine Oberrhein                       | Ludwigshafen   |
| Dir. Dr. WURSTER,                             |                |
| Works Combine Mainrau,                        |                |
| Prof. Dr. LAUTENSCHLAGER,                     | Hoechst        |
| Works Combine Niederrhein,                    |                |
| Dir. Dr. KUEHNE,                              | Leverkusen     |
| Works Combine Mitteldeutschland,              |                |
| Dir. Dr. BUECKING,                            | Bitterfeld     |
| Chairman of the Solvents Committee,           |                |
| Dir. Dr. ROTH,                                | Hoechst        |
| Chairman of the Plastics Scientific Committee |                |
| Dir. Dr. KRAENZLEIN,                          | Hoechst        |
| Chairman of the Lacquer Committee             |                |
| Dr. JORDAN,                                   | Ludwigshafen   |
| Dir. WEBER-ANDREAS,                           | Frankfurt/Main |

To the members of the Plastics and Rubber Committee.

|                    |                |
|--------------------|----------------|
| Dir. Borgwardt,    | Frankfurt/Main |
| Dir. Dr. Hoffmann, | Huels          |
| Dir. Dr. Wulff,    | Schkopau       |
| Dir. Dr. Ludwig,   | Leverkusen     |
| Dr. Koeller,       | Hoechst        |
| Dr. SCHENBURG,     | Bitterfeld     |
| Dir. Dr. Konrad,   | Leverkusen     |
| Dr. Hollek         | Ludwigshafen   |

TRANSLATION OF EXCERPT FROM DOCUMENT HI #7288  
CONTINUED

(page 1 of original, cont'd)

Office of the Technical Committee,

Frankfurt/ Main

Appended please find minutes of the 6th meeting of the Plastics  
and Rubber Committee.

signed: BISFIELD

1 copy of minutes

(eleven sets of initials)

Rubber Stamp:

Return to the Department of the directorate.

(handwritten): KUSTER.

(page 2 of original)

SECRET

1. This is a secret matter within the meaning of Article 88 of the Reich Penal Code.
2. To be transmitted only under cover; if sent by post, to be registered.
3. To be kept, at the responsibility of the addressee, under lock and key.

Minutes  
of the

6 th Meeting of the Plastics and Rubber Committee.

of the 23rd October 1941

at Huls.

I.G. Farbenindustrie A.G.  
Ludwigshafen/Rhein

17 December 1941  
Dr. At/C  
("December" deleted, ?"November"  
substituted)

Minutes of the 6th Meeting of the Plastics and  
Rubber Committee on 23 October 1941  
at Ruels.

Present were:

|           |                       |
|-----------|-----------------------|
| ter Moor  | Ffn. (Frankfurt/Main) |
| Struss    | Ffn. " "              |
| Roth      | Hoe(chst)             |
| Weibezahn | Kn                    |
| Baumann   | Hue(ls)               |
| Alt       | Lu(dwigshafen)        |

|                    |                       |
|--------------------|-----------------------|
| Ambros (Chairman)  | Lu(dwigshafen)        |
| Dorgwardt          | Ffn. (Frankfurt/Main) |
| Hoffmann           | Hue(ls)               |
| Wulff              | Sko (Schkopau)        |
| Konrad             | Le(verkusen)          |
| Ludwig             | Le(verkusen)          |
| Meoller            | Hoe(chst)             |
| Schoenburg         | Si(tterfeld)          |
| Kellak             | Lu(dwigshafen)        |
| Wisfold (Recorder) | Lu(dwigshafen)        |

(page 2 of original)



(page 11 of original)

.....  
If Leverkusen were supplied with sufficient Acrylnitril it would be able immediately to increase its output of Perbuna to 500 tons per month. In addition, Leverkusen could at any time polymerize 200 tons per month of Buna S or SS by employing the intermittent process. The acid polymerisation process for the production of Buna SS is to be tested for large-scale manufacture. The procurement of esteramines is causing difficulties. The chairman suggested that all available long-chain alcohols - fatty alcohols from Oppau, alcohols based on crotonaldehyde from Huels and oxo-alcohols - should be converted into alkylamines and tested for their suitability.

NOELLER reported on the work done at Hoechst in the field of solid chloroprene and chloroprene-latex. Recent reports from America mentioned successful utilization of chloroprene in the assembly of tire-casings. Hoechst has succeeded in entering amino-components in polychloroprene as stabilizers. Advances were made in the latex technique, especially in the saturation technique employed with fiber floccs, through which fiber floccs with extremely crack-resistant qualities were obtained. Final particulars cannot be given at present. Hoechst's work on chloroprene emphasizes the plastics side of the problem. In this context attention is drawn to the other important derivatives of vinylacetylene i.e., propioprene, methoxy and butoxypropene.

The output of divinylacetylene is at present 15% of the monovinylacetylene output. The partial hydrogenation of vinylacetylene into butadiene remains as unsatisfactory as it has been in the past. It was agreed that Hoechst should continue working on vinylacetylene and its derivatives.

- 4.) Buna factory IV Auschwitz: Development of the Scheme and present State of the Construction Work.  
(Report by Eisfeld).

The main reasons for choosing Auschwitz as a site for Buna factory IV had already been given during the 5th meeting of the Plastics and Rubber Committee. In the spring of 1941 the I.G. was commissioned to build a Buna factory at Auschwitz

(page 12 of original)

with a production capacity of 30,000 tons per year. It was agreed to combine the Buna factory with a new fuel producing plant on the same site. The raw material to be used in the new plant will be upper Silesian coal, supplies of which were assured through founding the Fuerstengruben G.m.b.H. I.G. holds 51% and Pless 49% of this company's stock. Fuerstengrube coal is eminently suited for low temperature distillation because of its high tar contents (12%).

The speaker demonstrated the production plans of the Auschwitz factory by means of diagrams. 960,000 tons per year of nut-coal are to be processed in a low temperature distillation plant. The resultant tar will produce:

Navy fuel oils: 50,000 tons per year  
pitch: 20,000 tons per year  
light oils: 10,000 tons per year

through distillation.

The carbonisation coke will be used for three different purposes:

- 1) 125 000 tons (1 - 3 mm granulation) together with 590,000 tons of fine grain coal, is to be burnt in the power station.
- 2) 85 000 tons (3 - 20 mm) to be used in the carbide furnaces.
- 3) 360 000 tons (20 - 60 mm) are to be used for the production of 100,000 cubic meters per hour of water gas. Of this quantity 50,000 m<sup>3</sup>/h are to be utilized in the Iso-octane plant and 30,000 m<sup>3</sup>/h in the methanol plant. The remainder, amounting to 20,000 m<sup>3</sup>/h is to be fully converted and is intended to cover the hydrogen requirements of the acetylene and aldol hydrogenation processes.

#### Calcium:

The Buna plant employs the 4-stage production process. Carbide requirements are to be met by three 25 000 kilowatt furnaces with a production capacity of 75 000 tons per year. In negotiations with the Government General, I.G. has succeeded in securing the only big and high-quality source of calcium in the vicinity of Auschwitz. This is located 40 km to the north-east, near Kroesendorf. The limestone is to be taken to Auschwitz in its natural state and burnt on the spot. Cost-price for calcium is expected to be about RM 21 - 22 per ton.

#### Coke:

Coke is to be obtained from the low-temperature distillation plant after the Fuerstengrube mine has commenced operations. Price quoted by Leuna is RM 20 per ton.

(page 13 of original)

Electricity:

A contract for the supply of 51,000 kilowatts has been concluded with the power-station Ober-Lanisk (Price: 1.25 Pfg per kilowatt hour).

The speaker then demonstrated the location of the Auschwitz factory site and its surroundings by means of a site-plan.

Water requirements of the factory will be 1-5 cubic meters per second. During periods when the water level is normal, this demand will be met from the Sola, and when the level is low, from the combined Vistula, Sola and Przemsza. The waste water problem can be solved very suitably by making use of the ground contours. Water used for cooling, and rainwater are to be conducted into the river just below the second withdrawal point so that the navigability of the Vistula will not suffer in periods when the water-level is low. Industrial waste water is to be returned to the river through sedimentation beds after having been cascaded over the slag heap.

In order to utilize all the possibilities of an ideal factory site to the full, the I.G. intends to purchase the whole area - factory and surrounding country - and to farm the agriculturally suitable areas through Landeskultur G.m.b.H. based at the Dwory estate. It is intended to provide a stand-by settlement for about 1200-1500 workers' flats at a distance of 800 meters from the site. The western boundary of the factory has, by agreement with the Land Planning Office and the Air Defense Authorities, been fixed in such a way that sufficient space remains for the expansion of the town Auschwitz, the population of which is to increase to about 40,000.

The speaker demonstrated the factory-site proper and the arrangement of the various buildings by means of a sketch on a scale of 1 to 2500.

The total sum to be invested in Buna factory IV, including the opening of the lime-stone quarry at Kressendorf, will amount to RM 188 millions which will be distributed as follows:

|                                     |                   |
|-------------------------------------|-------------------|
| Production plant:                   | RM 102.5 millions |
| Auxiliary and supplementary plants: | " 74.6 "          |
| Settlement:                         | " 11.0 "          |
|                                     | <hr/> RM 188.1 "  |

In addition: incidental plant expenses RM 15.8 millions

(page 14 of original)

An extension of the output capacity from 30,000 to 50,000 tons per year is planned for the future. This extension is to be carried out without increasing the carbide consumption by combining the 4-stage process with the Reppe process. 20,000 tons per year will then be produced by the 4-stage process and 30,000 by the Reppe process. The arrangement of the additional buildings has already been provided for in the plans.

The Reppe process and a phenol oil disintegration plant in the fuel producing factory provide a double raw-material basis for the production of Iguanid at Auschwitz.

The Army High Command further plans the construction of a glycol and diglycol plant using hydrogenation ethylenes as a production base. Four map-grid squares east of the factory site are to be given to the Montan G.m.b.H. in leasehold. The oxide and glycol plants as well as the chlorine electrolysis plant are to be erected there. Ethylene is to be provided by the Buna factory.

At present, 2,700 men are working on the building site. The support given by the concentration camp Auschwitz is very valuable. This camp made available 1,300 men and all its workshops.

A by-pass round the factory site as well as various factory roads and the rail connection have been completed. Electric current for building purposes is available everywhere on the site. 6 foundations have been dug and drainage work has been started. 1,000 men are living in the hatted camp and further huts for 4,000 men are to be finished by the end of the year. In 1942 the camp must be increased to provide room for 10 to 12,000 men. - Construction of the first 200 flats at the settlement has been started. Everything is being done to speed up the construction of a concrete-block plant. During the wet season it is to produce concrete parts. By this means a large number of the building workers will be kept employed during the winter as well. The building site is going to be prepared in such a way that construction of the buildings can be commenced immediately in the following spring as soon as the weather permits it.

Problems which have arisen in the past have been solved in good cooperation by the Leuna and Ludwigshafen works and difficulties arising in the future will be similarly mastered. It will probably be possible to keep within the extended schedule and to commence construction of the eastern I.G. Works at Auschwitz in the second half of 1943.



TRANSLATION OF EXCERPT FROM DOCUMENT No. NI-7288  
CONTINUED

(page 15 of original)

In connection with this report, the chairman emphasized that I.G. had acted in accordance with the desires of the Reich Planning Authorities in choosing Auschwitz as a site for Buna factory IV as these authorities desire greater industrial development of eastern territories. In addition to this, the site conformed to purely industrial and technical requirements. Progress during the last few decades has led to ever-increasing dependence on the important raw material "Coal" on the part of the large-scale organic chemistry plants. For this reason the eastern Buna-factory had to be located as close as possible to eastern sources of coal, i.e. Auschwitz.

CERTIFICATE OF TRANSLATION

5 August 1947

I, Arthur MACNAMARA, Civ.No. 20 191, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of the document No. NI - 7288.

Arthur MACNAMARA,  
Civ.No. 20 191.

TRANSLATION OF DOCUMENT No. MI-7972  
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES

To the  
Reich Commissioner for  
Price Control (Reichskommissar für die Preisbildung)

Attention: Herr Ministerialrat  
Dr. R E M T R O P

B e r l i n 19  
Leipziger Platz 7

Handwritten note:  
Telephone call 7 Sept., that now  
Ministerialrat Mesthof is competent  
and the date has been fixed. (?)

Central Bookkeeping Dept. 17 July 1942  
n./s

Buna Prices

Pursuant to the negotiations which took place at the Reich Ministry for Economy concerning the cancellation of the contract regarding the Buna Werke G.m.b.H., which was concluded with the Reich on 16 August / 20 September 1937, a conference was held at your office in regard to the re-fixing of the Buna price and a discussion of the guiding principles for the future fixing of the Buna sales price after further Buna factories come into operation.

At that time the Schkopau production costs made it appear possible to lower the sales price from RM 3.-- to RM 2.-- per kilogram Buna, and it was therefore determined that RM 0.70 per kilogram was to be paid by the Buna G.m.b.H. to an equalization fund for the quantity of Buna already sold during the first quarter of 1940 at a price of RM 3.0 per kilogram. Simultaneously, effective from 1 April 1940, the sales price was lowered to RM 2.30 per kilogram Buna, with the condition to pay from this amount RM 0.30 per kilogram to the Chemische Werke Huels G.m.b.H., so as to ensure a uniform price level for the deliveries of both firms to the customers. At that time we made the following note, concerning this regulation:

"Due to the fact that, owing to the price guarantee, the initial operation costs for Schkopau could be covered by correspondingly high proceeds, whereas the initial operation costs for the new plants come at a period of time when the Buna price level is low, the I.G. declared it to be necessary to make up for the discrepancy in some way, and the I.G. therefore proposed that on the price which may be charged for the current production and which is justified from the point of view of national economy, a levy will be made in such a way, that from the proceeds of each factory, the initial operation costs of the other plants, which have not been covered as yet, can also be paid.

(page 1 of original cont'd)

Oberregierungsrat Dr. REMTROP agreed to this proposal and declared himself willing to issue such a regulation as an official order if such might be necessary to avoid additional tax charges. It was agreed that the levy is meant as an equalisation of proceeds.

(page 2 of original)

D/S

17 July 1942

To the Reich Commissioner for Price Control, Berlin

Between partners to an agreement which does not constitute an investment within the meaning of company law, nor does it involve the recipient in payment of turn-over tax. For the time being, the I.G. fixed this levy at RM 0.30 per kilogram Buna originating from the Schkopau production."

Schkopau has paid as proceeds levy to Huels for 1940 the amount of RM 11,503,006.62, and was also compelled to continue payments for 1941, in order to avoid losses originating from the fixing of the price at RM 2.30 per kilogram of Buna, as has become known from an investigation conducted by your office in the meantime. Schkopau has duly declared the amounts for turn-over tax, since they were not prime costs, and exemption from turn-over tax only referred to these; and in all other respects they treated them as ordinary entries. They did not increase the taxable income of the Buna Werke G.m.b.H., since the receipts are off-set by the expenditure of the firm; while for the Chemische Werke Huels GmbH this does not constitute taxable income, since the receipts only served the purpose of avoiding deductible losses as regards taxation. There is nothing peculiar about this procedure; it constitutes an absolutely usual equalisation of prices between partners to an agreement, which has no consequences as regards tax law.

However, an auditor, sent by the Halle Finance Office, and acting on the orders of the Merseburg Finance Office, which is competent for the assessment of corporation taxes of the Buna Werke G.m.b.H., is trying to involve us in such consequences by asserting that the payments could only be understood if one considered both companies as Konzern undertakings of our firm. We have replied, that, even if such was not the case, the prices had to be reconciled, as otherwise the Buna Werke G.m.b.H. would not have been allowed RM 2.30, but only RM 2.-- per kilogram of Buna by the Reich Commissioner for Price Control, and that not one of the undertakings concerned was completely free in regard to the fixing of the Buna price.

TRANSLATION OF DOCUMENT No. NI-7972  
CONTINUED

(page 2 of original cont'd)

If one took the point of view of the auditor, then the Buna Werke G.m.b.H. would not only be assessed with a higher amount for corporation tax and tax on profits, to cover which would delay the lowering of the sales price, but also the obligation would be unjustifiably imposed to hand over profits, in spite of the fact that the company, which was founded and came into operation as early as 1937, has up to the present time been left every year with a profit of only 5% on its own capital.

In a conference, which we had with representatives of the Merseburg Finance Office and the Oberfinanzpräsident Magdeburg on 14th of this month at the close of the B-audit in Schkopau it was explained to us, that we would be treated differently as regards taxes, and that our ideas would be followed, if we could produce a certificate of the Reich Commissioner for Price Control, stating that ~~600~~ this proceeds levy to the Chemische Werke Huels G.m.b.H. of 30 Reich Pfennigs per kilogram Buna from the production of the Schkopau Works is the result of a Governmental order and that you have fixed the sales price for Buna at RM 2.30 on the strength of this order.

(page 3 of original)

17 July 1942

D/S

To the Reich Commissioner for Price Control, Berlin

In order to settle the matter, we ask you kindly to send us such a certificate, according to the promise made to us at the time, so that we can submit it to the competent Finance Office. We thank you in advance for your assistance in this matter.

Heil Hitler !

I.G. FARBENINDUSTRIE AKTIENGESELLSCHAFT

(signature:) ter Meer      (signature) Dencker (?)

Carbon copy to

Herr Director Dr. ter Meer, in this building



TRANSLATION OF DOCUMENT No. MI-7972  
CONTINUED

(page 4 of origin 1)

The Commissioner for the Four Year Plan  
Reich Commissioner for Price Control

Berlin W 9, 12 September 1942  
Leipziger Platz 7  
Telephone: Local calls 11 00 10

Reference Price Control III-544-920./42

Stamp: IG  
Central Bookkeeping Dept.

Received : 14 September 1942

dispatched : .....

To the  
I.G. Farbenindustrie A.G.

Frankfurt on Main 20

In answer to the application of 17 July 1942 - Central Bookkeeping  
Department D/S. -

SUBJECT : Buna Prices.

In answer to your enquiry of 17 July 1942 I certify the following :

During the negotiations on 6 March 1940 I allowed a joint price of RM 2,30 per kilogram of Buna for the production of the Schkopau and Huels plants. Both plants were to come to an arrangement among themselves in order to cover the initial operation costs, which, according to your statements, it was not yet possible for the Huels Works to do out of the proceeds at the price of RM 2,30 per kilogram of Buna. Only on this condition was the Schkopau factory allowed to charge the price of RM 2,30, although according to the cost of production shown by this factory, the order should have been given to lower this price still further.

You have calculated the proceeds levy, to be paid by the Schkopau Works to the Huels Works at RM 0,30 per kilogram of Buna based on a yearly requirement of 10 to 12 million RM, so that after the price reduction only RM 2.-- per kilogram of Buna was left for the Schkopau Works to cover production costs, calculated as outlined in the cancelled contract of 16 August / 20 September 1937 and as a return on sales.

By order :

signed: Mosthaf

Stamp : Certified  
illegible signature

Chancery employee

11 11 : OFFICIAL STAMP

TRANSLATION OF DOCUMENT No. NI-7972  
CONTINUED

CERTIFICATE OF TRANSLATION  
-----

24 August 1947

I, Victoria ORTON, Civ. No. 20 129, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of the document No. NI-7972.

.....  
Victoria ORTON  
Civ. No. 20 129

TRANSLATION OF EXCERPTS FROM DOCUMENT K. I-  
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES

Ludwigshafen on Rhine  
8 June 1942 / H No.69

Frankfort on Main  
Ludwigshafen  
Hoechst  
Leverkusen  
Bitterfeld  
Hoechst  
Hoechst  
Ludwigshafen  
Frankfort on Main

|                                  |                        |
|----------------------------------|------------------------|
| Dir. Borgwardt,                  | Frankfort on Main      |
| Director Dr. Hoffmann,           | Huels                  |
| Director Dr. Wulff,              | Schkeppau              |
| Director Dr. Ludwig,             | Leverkusen             |
| Dr. Mueller,                     | Hochst                 |
| Dr. Schoenburg,                  | Bitterfeld             |
| Dr. Eisfeld,                     | Ludwigshafen/Auschwitz |
| Director Dr. Konrad,             | Leverkusen             |
| Dr. Kellek,                      | Ludwigshafen           |
| Tea (Technical Committee) Office | Frankfort on Main      |

-1-

70

TRANSLATION OF EXCERPTS FROM DOCUMENT No. NI-6471  
CONTINUED

Secret!

- 1) This is a state secret within the meaning of Article 86 of the Reich Penal Code,
- 2) Only to be passed on under closed cover, dispatch by mail as "registered matter,
- 3) To be kept safely locked up, at responsibility of addressee.

Management Dept.  
15 June 1942  
Leverkusen I.G. Works

Minutes

of

the 7th Meeting of the "K" Commission

on 6 May 1942

in Frankfurt on Main

(page 1 of original)

I.G. Farbenindustrie A.G.  
Ludwigshafen on Rhine

14 May 1942  
Dr. At/W.

Minutes of the 7th Meeting of the "K" Commission on 6 May 1942  
in Frankfurt on Main.

|          |                    |                   |
|----------|--------------------|-------------------|
| Present: | ter Meer           | Frankfort on Main |
|          | Struss             | " " "             |
|          | Gorr               | Berlin            |
|          | Grimm              | Schkopau          |
|          | Alt                | Ludwigshafen      |
|          | Ambros (Chairman)  | Ludwigshafen      |
|          | Borgwardt          | Frankfort on Main |
|          | Hoffmann           | Huels             |
|          | Wolff              | Schkopau          |
|          | Ludvig             | Leverkusen        |
|          | Moeller            | Hoechst           |
|          | Schoenburg         | Bitterfold        |
|          | Kollok             | Ludwigshafen      |
|          | Eisfeld (Recorder) | Ludwigshafen.     |



(page 2 of original)

Agenda

- 1) Matters arising out of minutes of the 7th meeting of the "K" Commission page 3
- 2) Contact Research (Consultant: von Susich) pages 3 to 5
- 3) Survey of the production situation in the field of Buna
  - a) General Survey (Consultant: Alt) pages 5 to 8
  - b) Views on technical application (Consultant: Konrad) pages 8 to 10
  - c) Reports from the Works pages 10 to 13
- 4) Progress report of work at Hoechst in connection with Vinylacetylene (Consultant: Wolfram) pages 14 to 16
- 5) New acetylene reactions (Consultant: Franko) pages 16 to 18
- 6) The acetaldehyde situation, general survey page 18  
(Owing to lack of time Alt's report, which it was intended should be given under this item, was not given until the following day in the Solvents Committee conference).
- 7) Survey of the production position in the field of plastics
  - a) General Survey (Consultant: Alt) pages 18 to 19
  - b) Reports from the Works pages 19 to 24
  - c) Remarks concerning technical application in the development of Plastics during 1942 (Consultant: Kollok) pages 24 to 26
- 8) Plastics Production in Europe, use of plastics during and after the war (Consultant: Bergwardt) pages 26 to 28
- 9) Trend of cost prices, cost of research work, credits page 28
- 10) Miscellaneous page 28

(page 30 of original)

. . . . .

10) Miscellaneous

The submissions sent in by the committee members were briefly discussed by the Chairman. The trend of cost prices, with few exceptions continues to be favorable.

. . . . .

The latest estimates of the total investments for Buna III and IV show the following figures:

|                               |                  |
|-------------------------------|------------------|
| B III Lu                      | RM 97 000 000.-- |
| of which still to be approved | RM 2 000 000.--  |
| B IV Az                       | " 209 000 000.-- |
| of which still to be approved | " 81 000 000.--  |

The present credit position for Buna and Plastics shows a figure of RM 557 000 000.--. Thus more than a quarter of the amount of the I.G. credit totalling about 2 billion Reichsmark is backed by the "K" Commission.

. . . . .

TRANSLATION OF EXCERPTS FROM DOCUMENT No. NI-8474  
CONTINUED

(page 31 of original)

.....

The Chairman closes the meeting by summarizing the important developments, which have taken place also during the last year in all fields of the "K" Commission. In spite of all difficulties the ever-increasing production of I.G. in the field of Buna and Plastics will continue also in the future to play a decisive part in meeting the huge war requirements.

CERTIFICATE OF TRANSLATION

25 June 1947

I, VICTORIA ORTON, No. 20129, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of excerpts from the document No. NI-8474.

VICTORIA ORTON, No. 20129.

-4-  
"END"

Carbon copy

I.G. FARBENINDUSTRIE A.G., FRANKFURT (MAIN) 20

Frankfurt/Main, 23 April 1941

The organizations of the Central Administration of the I.G. Farbenindustrie A.G. and the Sales Combines for Dyas and Chemicals, concentrated in the Hochhaus Frankfurt/Main (20), Grunburgplatz, and which represent over 50% of I.G.'s world trade, and over 2/3rds of its sales abroad, have from the first day of the war taken the lead of all I.G. organizations, inasmuch as they can claim the highest percentage of male employees called up. At the present time 37% of the male employees are in the Armed Forces. Only in our Financial and Political-Economic Policy Headquarters in Berlin has such a high percentage of men called up been reached. It is far lower in all other plants.

The whole of the business conducted in this building must, with ever decreasing exceptions, be considered as essential to the war effort; the greater part as vital for the outcome of the war. From the distribution of Buna, and articles ranging from synthetics, preliminary products for the explosives industry, detergents, substitute tanning agents and all chemicals essential for the carrying on of the war, right down to aniline dyes, which are used almost exclusively for the indirect and direct needs of the Army, there is not a single branch which does not make its contribution to the war machine.

In the field of export, thanks to the great victories in the field and thanks to the general political situation, business contacts have been maintained with all countries of the world, with the sole exception of the British Empire and the Dutch Indies. In particular, contact has been successfully maintained with South and Southeast Asia as well as Iran and Afghanistan, by transit via Russia. Also it has been possible to keep the South American market supplied via the Pacific, and recently, by means of blockade runners. The result has been that the volume of business carried on by this organization

(page 2 of original)

has proved to be far greater in war time than ever could have been foreshadowed in peace time, and greater than it ever was in peace time. The yearly turnover is at present 1 milliard 250 million RM.

When the undersigned Betriebsfuehrer visited General STIELER von HEIDEKAMPFF in Kassel in the spring of 1939 to request his support to ensure also in time of war, the personnel necessary to maintain the strength of this powerful concern, he expressed the opinion that, in so far as it was at all possible to estimate what the chances were of carrying on business during the war, the percentage of men called-up should not exceed 40% of the male staff if the smooth running of the business was to be guaranteed. When making such an estimate, however, nobody would have thought that the actual business done would assume such proportions as it has today.

TRANSLATION OF DOCUMENT No. NI-6123  
CONTINUED

(page 2 of original, cont'd)

Notwithstanding, we have only made use of the provisional safeguard under the so-called "standstill agreement" in so far as this seemed absolutely necessary after making full use of all available manpower. Consequently, on 1 October 1940 we of our own accord took 275 persons liable for military service from the standstill list and placed them at the disposal of the military authorities. Of these, about 50 have not been called up for military service; we must reckon with the fact that they may be called up any day.

We have at present been granted deferment for 462 officials, = 18% of the male staff. Applications have been made for the deferment of a further 254 = 10% of the male staff, so far no decision has been received. In the above mentioned totals officers have been included. We have 146 officers in the building. Of these 75 have been called up. We have applied for the deferment of 45 of the others; they are, however, almost without exception over 45 years of age.

Then the remaining 50

(page 3 of original)

men on the "standstill" list have been called up, any further calling up will open a breach in our organization here, which it will be impossible to fill. For the most part, these men are specialists, who cannot be replaced, as the work they do requires not only a first class brain, but also years of experience, and in many cases a knowledge of the language and the country which other persons do not possess. The Labor Office cannot provide such persons. Incidentally, we have made application to the Labor Office for 170 clerks etc, which it will not be possible to grant.

It is our duty, therefore, to make it clear that further inroads on our personnel are bound to create a situation which will make it extremely difficult to continue to carry on our business, which means that supplies to the Army will suffer as well as our export trade, which Berlin Headquarters consider absolutely necessary.

CERTIFICATE OF TRANSLATION

21 May 1947

I, Victoria ORTON, 20129, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of the document No. NI-6123.

Victoria ORTON  
20129



TRANSLATION OF EXCERPTS OF DOCUMENT NI-6194  
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES

High Command of the Armed Forces.  
(War Economic Armament Office)

SECRET

In four copies  
3rd copy

INDIA RUBBER

and

The Supply Situation During  
the war

Compiled by: Lt. Colonel Dr. Hedler

Completed: End of March

1941

Page 1 of Original

1

I N T R O D U C T I O N

The raw material  
"rubber"

- 1) Rubber is one of the most important raw materials of the entire military and war economy. This applies, due to the motorization and mechanization of the Armed Forces, to a particularly large extent to all three branches of the Armed Forces: the Army, the Navy, and the Air Force. It is therefore understandable that the Economic Armament Department of the High Command of the Armed Forces responsible for the war economy of the Armed Forces since its first beginnings as an economic department of the Army Ordnance Office gave this raw material its particular attention long before rearmament started.

Since natural rubber has to be imported from tropical foreign countries and as Germany, as well as Europe, has no production of its own, Germany was dependent on imports from overseas. Consequently the W-Staff (War Economic Staff) made provision for the building up of large stocks in order to safeguard the supply situation and for furthering the utilization of waste rubber (regeneration). It also sought to improve the supply position by concentrating all efforts on research work on substitutes and the synthetic production of Buna Rubber and by recourse to other substitutes.

TRANSLATION OF EXCERPTS OF DOCUMENT NO. NI-619  
CONTINUED

Page 2 of Original

Since rubber is of prime importance for the Armed Forces, it was only natural that the task of safeguarding the necessary raw materials for the Armed Forces should remain with the Military Economic Staff (War Economic Armament Office) when on 22 March 1934 the entire control of commodities was transferred to the Reich Ministry of Economics. \*)

- \*) Reich Law Gazette I Page 212 Dated 22 March 1934
- Reich Law Gazette I Page 565 dated 3 July 1934
- Reich Law Gazette I Page 816 dated 9 Sept. 1934
- Reich Law Gazette I Page 761 dated 28 June 1937
- Reich Law Gazette I Page 142 dated 18 August 1939

Page 3 of Original

Synthetics

Synthetics were bound to assume an important place in the control of rubber by the government when they became suitable as substitute materials and could be used as such. This applies in particular to the synthetic material "Buna", which is also termed artificial rubber, and to the synthetic materials "Oppanol" and "Igelit", which also are particularly well suited as substitute materials for rubber, even if they could not attain the importance of Buna.



Page 4 of Original

In June 1936 the synthetic rubber Buna was added to the list of commodities placed under the Raw Materials Control, and in July 1936 an order came out which made it compulsory to notify any large stocks of old rubber and rubber scrap, and prohibited the destruction of such material.

II.

Pre-War Military Economic Measures

Page 8 of Original

The Synthetic Material  
"Buna"

3) a) Already during the World War it was possible to produce in Germany sufficient quantities of synthetic rubber to cover the requirements existing at that time. Owing to political and economic conditions production was stopped after the war and no further attempts were made to improve this article.

Interest in synthetic rubber gradually came to be shown, as the price for natural rubber had increased to such an extent that the production of artificial rubber in Germany seemed to be worth while. In 1926 the experiments were found to be successful, and it was possible to produce synthetic rubber in the form of Buna according to the process in use today. The initial materials are coal and lime, both of which are found in Germany in sufficient quantities. From these Kaliumkarbid was made, a further stage in the process produced acetylene and from this Butadien is derived. The latter is a gas which can be condensed to form a liquid which represents the main component for rubber.

Buna is really no substitute for rubber, but a new material which is in some respects superior to rubber. It has qualities equal to those of natural rubber and in some respects is even superior.

TRANSLATION OF EXCERPTS OF DOCUMENT NO. RI-6194  
CONTINUED

Page 9 of Original

Of the different kinds produced, numerical Buna (Zahlen-Buna) was found to be more resistant than natural rubber to benzine and oil and type S to higher temperatures. In the meantime the product has been further improved, and another type SS is being produced. The bulk of the production consists of Buna S, produced at Schkopau, and Buna SS, produced at Heuls. The latter wears better and is therefore particularly suitable for tires.

The working process on the roller, in particular the vulcanization process, is in principle the same as for natural rubber. The difficulties in manufacturing Buna in the early years were so great that according to information from the industry, 5 to 8 times more machines were necessary. In the meantime it has been found possible to reduce this to 1 1/2 times as many machines.

Difficulties in  
Introducing Buna

b) aa) The Armed Forces endeavored already at an early stage to give full support to Buna. At the suggestion which the Economic Department made to the Army Ordnance Office (Wi Ru Amt), a meeting took place on 28 July 1933 at the Armament Testing Office (Wa Prw) with the I.G. Farben as producer and owner of the patents. The I.G. representatives explained the basic principles for the production of Buna and

Page 9 of Original (Cont'd)

stated that they alone were not in a position to get German industry to carry out detailed research on Buna. There were two difficulties in the way of such experiments:

- 1) The processing of Buna means the total transformation of the works, and this in turn means that if the synthetic product is to be properly worked, the industry is confronted with entirely new tasks.



TRANSLATION OF EXCERPTS OF DOCUMENT NO. NI-6194  
CONTINUED

Page 10 of Original

- 2) Since tires made out of Buna have a longer life, the introduction of such tires would result in decreased sales.

The Wa A not only promised its own full support, but also declared itself prepared to get other users, such as the Post Office and State Railways, to order articles made of Buna from the industry and to make experiments.

Measures of  
the WT

bb) WA/W Staff (War Economic Armament Office) constantly endeavored to get the branches of the Armed Forces to use Buna for their equipment. In March 1935 the WA (Wehrmachtamt) proposed to the Wa A (Heereswaffenamt), General Navy Office (Allg.Mar.Amt) and the Reich Air Ministry to use Buna not only for tires but also for articles made of hard rubber (especially accumulator boxes, proofed materials and hosepipes.) On the basis of a conference at the WA on 18 April 1935, the following progress report on research was drawn up: -

- 1) Army: a) Wa Prw. has been entrusted with experiments carried out by the Army.
- b) Tires: Since the several varieties and compounds have to be tested and driving experiments are necessary in each case, final results cannot be expected under 1 1/2 years.
- c) Gas Mask Materials: Experiments at the firm of Phoenix were not successful, as they were not carried out in conjunction with I.G. and presumably wrong materials were used at the start.

Page 10 of Original (Cont'd)

New experiments will start shortly.

- d) Rubber Dinghy Materials  
(Plossbootstoffe): Experiments have been concluded. It has been found superior to natural rubber especially as far as its keeping qualities are concerned.
  - e) Washers: Experiments are in progress.
  - f) All Rubber Tires for Motorized Guns: Experiments are in progress.
- 2) Navy: Main requirements are for cables, washers and accumulator boxes.

Page 11 of Original

- a) Accumulator Boxes: Experiments have been concluded. Orders have already been placed.
- b) Cables and Washers: Experiments are in progress. Experiments with artificial resin (trollit) are also being conducted which seem hopeful.

3) Air Force:

There is not much demand for high quality rubber, especially tank covers, cables, aeroplane tires. Experiments with synthetic rubber have not yet been made.

As a result of this conference the following measures were deemed necessary for promoting the use of synthetic rubber in future and adopted on the suggestion of Economic Staff (W Stb) (Economic Armament Office) (WI Rue Amt).

- a) Branches of the Armed Forces, when placing orders for articles on which tests have already been successfully concluded /accumulator boxes, floating bags (Flossaecke)/ should ask the suppliers to use synthetic rubber.
- b) In order to avoid duplication of work and in order that research work in the individual spheres should only be undertaken by one branch of the Armed Forces, it has been decided to speed the tests up as follows:
  - a) Army: Tires, rubberized materials for gas protection, washers, motor suspensions (Motorenaufhaengung), low-tension electric cables.
  - b) Navy: Accumulator boxes, high tension electric cables.
  - c) Air Force: Tank covers.

TRANSLATION OF EXCERPTS OF DOCUMENT NO. W1-8194  
CONTINUED

Page 11 of Original (Cont'd)

In January 1936 the WA/W Stb (W1 Ru Amt) \*) suggested to the Air Ministry that synthetic rubber should be used for the production of accumulator boxes for the Air Force. This was agreed. On 16 May 1936 the WA/W Stb (W1 Rue Amt) informed the Reich Minister for Air and C-in-C of the Air Force that the Wa A was already using synthetic rubber in the manufacture of gas suits in the proportion of 50 : 50, and also suggested that the Luftwaffe should carry out tests in this direction.

\*) D.RHM and Obd W, 66 B 2164 W W1 No. 24/36 dated 7 January 1936.



Page 12 of Original

Growth of Buna  
Production

c) In spite of the fact that the Military Economic Staff (Wi Rue Amt) constantly pressed for production to be carried out on a scale and at a speed which would meet the urgent requirements, it was unfortunately not possible to do this. Already on 30 March 1935 the Reich Minister for War \*) in a letter to the Plenipotentiary for Economic Affairs, Herr Keppler, stressed the necessity of erecting a larger plant for the production of Buna. On 21 September 1935 Chief W (Oberst Thomas) declared in a discussion with I.G. Farben that the Reich Minister for War would immediately contact Herr Keppler in order to give the guarantee regarding quantities and prices required by I.G. Farben. On 7 October 1937 \*\*) the Chief of the Military Economic Staff (Oberst Thomas) informed Herr Keppler that in view of the new rubber program, which came within the Four Years' Plan, he had no objection to the capacity of the three great plants to be erected being increased to 2,000 tons per month each. Accordingly, a change took place in Autumn 1938 with the announcement of the Plan for the first quarter, in which synthetic rubber formed one of the most important points. According to the opinion of the Economic Armament Office (Raw Materials Department [Wi Ru Amt/Ro]) it may well be assumed that the efforts of the W-Staff, lasting over many years, to solve the raw material problem in general and that of research work on synthetic rubber Buna in particular, have been one of the reasons for formulating the Four Years' Plan and thus accounted for the increase in Buna production. Nevertheless valuable months passed by in which the size of the plant, etc. was discussed. Schkopau, which so far had been built on a small scale, was now extended to such an extent that it was estimated that production would soon reach 2,000 tons per month. In spite of this, it was not until 1939 that the plant started to produce 2,000 tons per month.

Meanwhile a second factory had been planned at Luels, but this did not start production until 1940

\*) D.RKM 66 b 2164 W W1 (I) No. 1573/35 dated 30 March 1935

\*\*) Chief W Stb im W. 66 b 2164 No. 9418/36 g.IIb dated 7 October 1936.

TRANSLATION OF EXCERPTS OF DOCUMENT NO. HI-6194  
CONTINUED

Page 20 of Original

I I I.

Transition to War Economy

First  
Measure

- 1.) On the whole the transition to War Economy was affected almost without a hitch in the first stages. Most of the plants had at their disposal a sufficiently large stock of raw materials which, in spite of difficulties caused by the outbreak of the war and the decrease in supplies owing to war traffic, enabled work to continue sufficiently to keep employees and workers employed. The strict organization introduced before the war and the general tendency also at the outbreak of war to maintain the former system of control proved its worth.

Page 22 of Original

I V.

War Economy

A.

From 1 September 1939 to 30 June 1940

Introduction 1) As natural rubber belongs to those raw materials on the import of which Germany is dependent until the artificial rubber Buna can be processed in sufficient quantities, it was especially important that this particular raw material should be carefully managed and planned. For, as already mentioned, not only is rubber one of the essential raw materials of industry, but its importance lies also in the fact that the chief branches of the Armed Forces and their ability to use their weapons is dependent on adequate supplies of rubber. Thus, a shortage of rubber can actually decide the outcome of the war.

Page 27 of Original

On 9 February 1940 \*) General Field Marshall Goering gave the order to utilize raw material reserves to a greater extent and to work on Buna production to full capacity. As a result of this order the quota was revised. It is true that the stock position was considerably affected by the increase in the quota, but it was hoped that by making use of the last reserves the stocks of natural rubber would last until the beginning of 1941, when supplies of Buna would be available.

\* ) Ktb. W1 Rue Amt/Stab, Appendix Bd. II, Appendix 41.



Page 36 of Original

C o n c l u s i o n

Supply of Natural  
Rubber and Buna

- 1) According to information from the Economic Armament Office (Wi Rue Amt/Ro), from the time when it was first set up as a consulting body for raw materials, or as a group within the Economic Department of the Army Ordnance Office, the Raw Materials Department of the High Command of the Armed Forces occupied itself with the key raw material, rubber, which up to that time had always come from abroad, and later sought to improve the supply position by laying in large stocks, by fostering synthetic production and the utilization of old material (Regeneration) and by recourse to substitute materials. Already in 1932 and 1933 it was instrumental in getting the agencies responsible for its development (Heereswaffenamt, Prw 6), to overcome the formidable obstacles which prevented the production or rather the processing of Buna. The importance of this has always been emphasized by this office. Again and again it approached the Reich Ministry of Economics in order to put German Military Economy on a firm basis as far as rubber is concerned. Since rearmament started it has repeatedly pointed out

TRANSLATION OF EXCERPTS OF DOCUMENT NO. NI-6194  
CONTINUED

Page 36 of Original (Cont'd)

in its reports to the leaders (Fuehrung) that unless the raw materials problem is solved, and this applied especially to rubber, it would not be possible to carry on a war for any length of time. There is no doubt that these blunders were one of the reasons for the Four Years' Plan, which then took up synthetic rubber production, which had been tackled on a larger scale.

CERTIFICATE OF TRANSLATION

26 May 1947

I, Victoria Orton, Civilian, ETO No. 20129, hereby certify that I am thoroughly conversant with both the German and English languages and that the above is a true and correct translation of excerpts of Document No. NI-6194.

Victoria ORTON  
ETO No. 20129

AFFIDAVIT

I, Dr. ERNST STRUSS, Director of I.G. Farben, Chief of TBA Bureau of I.G., Secretary of the Technical Committee of the Vorstand, Manager of Division II (Sparte II) of the Vermittlungsstelle W, and, since 1943, Production Manager of the entire German dyestuffs industry within the framework of the Economic Group Chemical Industry, after having first been warned that I will be liable for punishment for making a false statement, state herewith under oath, of my own free will and without coercion, the following:

a) Buna

I.G. was the only concern in Germany which could develop the production of synthetic rubber and assist in overcoming the difficulties of processing it. In 1936, the beginning of the first Four-Year-Plan, the technical development reached a point which assured the production of Buna S on a larger scale. It would not have been possible to carry on the war for several years without I.G.'s Buna.

b) Synthetic Gasoline

After six years of efforts, I.G. solved the question of producing synthetic gasoline from brown coal on a large scale in the spring of 1933. Two or three years later the problem of producing synthetic gasoline from anthracite was also brought to a solution. Since there is hardly any natural oil in Germany, and the Fischer-Tropsch method yielded only a poor gasoline, the

experience of I.G. in this field was absolutely necessary for the conduct of a prolonged war. The same applies to high octane fuels where I.G. was the only concern with sufficient experience at the beginning of the war.

I have carefully read each of the two pages of this declaration and have signed them personally. I have made the necessary corrections in my own handwriting and initialed them and I declare herewith under oath that I have given the pure truth to the best of my knowledge and conscience.

s./ DR. ERNST STRUSS

(signature)

Sworn to and signed before me this 29 day of May 1947 at Frankfurt Main by Dr. ERNST STRUSS known to me to be the person making the above affidavit.

s./ DR. OTTO HEILBRUNN  
Civilian ETO 30140  
Office of Chief of Counsel  
for War Crimes  
U.S. War Department

"A CERTIFIED TRUE COPY"



*J. H. Faulen*

MILITARY TRIBUNAL NO. 1  
EXHIBIT VI  
PROSECUTION Document Book No. ~~111~~  
DEFENSE Document Book No. ~~111~~

*English*



# INDEX

TO DOC. BOOK 100

## FARBEN PARTICIPATED IN CREATING AND EQUIPPING THE NAZI MILITARY MACHINE FOR AGGRESSIVE WAR

| EXHIBIT<br>NO. | DOCUMENT<br>NO. | DESCRIPTION OF DOCUMENT | PAGE IN<br>DOCUMENT BOOK |
|----------------|-----------------|-------------------------|--------------------------|
|----------------|-----------------|-------------------------|--------------------------|

|  |  |   |   |
|--|--|---|---|
| NI-7123<br>(already<br>in evidence<br>in Book V<br>as Exhibit<br>90) |  | Memorandum of 15 September 1933<br>concerning discussion in the Reich<br>Air Ministry between officials of<br>the Air Ministry and the Army Ord-<br>nance Office at which the difficul-<br>ties of military requirements are<br>discussed. Milch approves enlargements<br>of production at Bitterfeld, approved<br>" a new electron metal finishing<br>plant", and refers to General Bockel-<br>berg " a memo of the I.G. Farben<br>( Dr. Krauch) concerning the expans-<br>ion of raw materials bases ( with<br>particular reference to oil) and<br>suggested a joint energetic approach<br>to the competent agencies in this<br>matter. | 1 |
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|  |  |   |   |
|--|--|---|---|
| NI-8317<br>(already<br>in evidence<br>in book V<br>as Exhibit<br>90) |  | Affidavit by Struss of 2 June 1947,<br>concerning I.G. Farben's construct-<br>ion of a secret magnesium plant in<br>Aachen for the Luftwaffe in 1933. | 5 |
|--|--|---|---|

|         |  |  |   |
|---------|--|--|---|
| NI-4497 |  | Agreement Aken between the Reich<br>Armament Ministry and I.G. Farben,<br>dated June 1934. | 8 |
|---------|--|--|---|

|         |  |  |    |
|---------|--|--|----|
| NI-4496 |  | Agreement Stanfurth, dated 23 June 1936. | 15 |
|---------|--|--|----|

|         |  |   |    |
|---------|--|---|----|
| NI-5936 |  | Letter from I.G.'s Dr. Buhl of I.G.'s<br>Central Office for contracts referring<br>to the formation of an association for<br>the common utilization of patents of<br>the German light metal plants, dated<br>14. December 1934. | 25 |
|---------|--|---|----|

|         |  |   |    |
|---------|--|---|----|
| NI-4926 |  | Copy of I.G. letter to Reich Aviation<br>Ministry stating that I.G. and other<br>firms of the light metal industry have<br>concluded the patents partnership agree-<br>ment as desired by the Reich Air Ministry. | 26 |
|---------|--|---|----|

EXHIBIT DOCUMENT  
NO. NO.

DESCRIPTION OF DOCUMENT

PAGE IN  
DOCUMENT BOOK

- NI-5935 Patents partnership agreement, mentioned in NI-5936, between various firms of the light metal industry and I.G. Farben, dated 22 December 1934. 29
- NI-7285 Letter from I.G. Bitterfeld to defendant ter Meer with memorandum on conference of I.G. with the Reich Air Ministry, on 6 February 1935, in which I.G. tries to keep Wintershall out of the magnesium production. 33
- NI-1166 Draft for circular to Stassfurth staff, (already dated 31 October 1936, suggesting measures in evidence to increase the operating readiness of ce in Brock the standby plant Stassfurth. V as Ex-hibit 107) 37
- NI-6631 Publication by Dr. Neukirch (Reich Office for Economic Development) on "Magnesium, the German non-ferrous metal" in "Four Year Plan", 1938, No. 8, Page 458. 39
- NI-2725 Statement by the defendant von Schnitzler on I.G.'s electron metal and I.G.'s endeavour to interest the Luftwaffe in using it. 47
- NI-6483 Letter from Reich Air Ministry to I.G., dated 7 September 1938, reconstruction of a second plant for the production of "BI IV/1 is 50/50 magnesium, aluminum alloy). 48
- NI-6484 Secret letter from I.G. Bitterfeld to Dr. Buhl, dated 4 October 1938, reconstruction of the BI IV/1. 53
- NI-9204 Affidavit of Kral von Heider re fields in which German government executed guarantees on production and price (called "Tonnage guarantees granted to I.G. Farben by the German government from 1933 to 1945"), particularly emphasis on the light metals, rubber, and synthetic gasoline. 56
- NI-7240 Affidavit by Ernst Struss on I.G.'s magnesium and aluminum production in 1930 and 1942. 61
- NI-8033 Photostat of secret memorandum re "I.G.'s participation in the Norwegian aluminum production", dated 19 October 1940. 63

| EXHIBIT<br>NO. | DOCUMENT<br>NO. | DESCRIPTION OF DOCUMENT | PAGE IN<br>DOCUMENT BOOK |
|----------------|-----------------|-------------------------|--------------------------|
|----------------|-----------------|-------------------------|--------------------------|

NI-8034 Memorandum "I.G.'s participation in Norwegian aluminum and light metal production", dated 23 October 1940.

67

NI-8144 Copy of memorandum on a meeting between Reich Air Ministry and Farben on 6 Feb. 1941, re creation of aluminum plant in Norway.

71

NI-8827 Letter from defendant Krauch to Staatsret Schiebor on aluminum planning for the Heroen plant, dated 12 April 1943.

74

NI-6140 Contract dated 2 May 1944 between I.G. Farben (executed by Buergin and Haefliger) and German Reich re construction of magnesium plant Moosbierbaum for the production of magnesium.

76

NI-7562 Excerpts from study prepared by Dr. Neukirch "The Development of the Light Metals Industry within the Four Year Plan", with dedication to Krauch.

78

NI-11711 *copy of letter to Dr. Gattineau about expansion of the aluminum works at Bitterfeld send to Dr. Hen Beer*

107

"A CERTIFIED TRUE COPY"

- 3 -  
(END)



Copy

Discussion in the Reich Air Ministry on 15.9.33

TOP SECRET!

|          |                        |   |                                |
|----------|------------------------|---|--------------------------------|
| Present: | Lt. Gen. v. Bockelberg | } | Wa A (Ordnance Office Dept. A) |
|          | Lt. Col. Thomas        |   |                                |
|          | Lt. Col. Stud          |   |                                |
|          | State Sec. Milch       |   |                                |
|          | Colonel Kever          | } | L.H. (Air Ministry)            |
|          | Lt. Col. Winner        |   |                                |
|          | Major (ret) Wagner     |   |                                |
|          | Captain Jeschonek      |   |                                |

1. Procurement Order 33/35 of the L.H. (only fighter aircraft).

Lt. Col. Winner presented briefly the Procurement Programme already known to Wa A., and emphasized that the present programme represents the 1st stage of the rearmament of the Luftwaffe. The target of the final rearmament to be aimed at was not yet fixed, but it could be reckoned approximately that this rearmament would in five years reach three times the position of the 1st stage (1.10.35).

For the rest, the L.H. would regard the two yearly periods (1.10.34 and 1.10.35) of the 1st stage as a whole. If therefore the requirements specified for the 1st yearly period were not reached in individual procurement areas, i.e. by 1.10.34, the delivery of the remainder for that year could take place in the 2nd yearly period, i.e. by 1.10.35.

L.H. requested, however, that, as soon as enquiries were concluded, they should be furnished with a statement of the deliveries to be expected up to 1.10.34 and the position in regard to manufacture at this date (Wa B (Armament Office, Dept. B) in conjunction with Wa Wd (Armament Office Economics?)).

With regard to the st.M.G. (Machine Guns) 08/15 for the 1st year, it could be stated that these were already available, whereas for the same M.G. of the 2nd year, M.G. 08/15 would be taken from stocks and would have to be suitably mounted.

State Secretary Milch expressed the desire that the completion of the construction of the M.G. 17, which is later to replace the M.G. 08/15, should be accelerated as much as possible (Wa Prw).

Lt. Gen. v. Bockelberg requested that Wa A be informed as soon as possible as to the intended full programme of the Air Rearmament and also as to the required monthly replenishment figures, as the framework of the preliminary manufacturing preparations would be materially dependent on these. This was promised.

(Ms.: To be filed 2550)

Lt. Gen. v. Bockelberg then expounded the difficulties which existed in the different fields of procurement and the intended remedies.  
(Ms.: 26/9 2646)

(page 2 of original)

State Secretary Milch expressed his agreement with the proposals to bring in new firms for the manufacture and especially approved the installation of a new tube rolling mill, of the enlargement of production at Bitterfeld and of a new electron metal finishing plant on the basis of Magnesium-chloride. This applied also to the manufacturing preparations for Thormite which would become necessary. When it was pointed out the high costs which would be incurred for manufacturing preparations, State Secretary Milch declared that the necessary means would be made available.

With regard to the very high replenishment requirements in electron metal bombs it was pointed out on the part of Wa A that the manufacturing preparations would presumably necessitate the erection of a number of new electron metal works and probably even new electric power plants which could not be maintained by peacetime orders.

L.M. reserved its decision on this point and intended at first, so far as stocks and replenishment possibilities in E.-bombs permitted to secure continuance of supply through stock reserves and possibly to provide for an expansion of production only in 1.-Fall.

State Secretary Milch requested that Wa A should examine whether another metal with a basis of German raw material could not be used instead of electron metal for the incendiary bombs. (Wa Prw).

For the safeguarding of replenishments in Explosives for the C-bombs L.M. declared its agreement with stockpiling of Tri. and Toluol. For the extension of the Toluol basis, further steps should be initiated by the L.M. and Rv. Min. (?Reich Ministry of Economics) as soon as possible, in conjunction with the "New Order" for fuel oil economy (Wa Wi -?Armament Economic Office?).

L.M. requested to be kept currently informed of the intended manufacturing preparations and costs incurred.

2. Manufacturing preparations in fields reserved to the L.M.  
L.M. has entrusted Dr. Doves (Prüf. & Forschungsgemeinschaft Vereinigte Stahlwerke und Siemenswerke) with the working out of a plan for securing the finishing of certain semi-finished products and semi-finished parts (for instance, aircraft-frame-tubing from steel, crankshafts and so on).

(page 3 of original)

On completion, the plan will be sent to Wa A.

3. Securing of Fuel Oil.  
State Secretary Milch handed to Lt. Gen. v. Bockelberg a memorandum of the I.G. (Dr. Krauch) concerning the expansion of the home raw materials basis and suggested a joint energetic approach to the competent agencies in this matter. It would be necessary to appoint a commissar for carrying out the necessary steps.

Lt. Gen. v. Bockelberg promised examination of the memorandum and joint action (Wa H).

(page 3 of original cont'd)

4. Decision concerning development and procurement of Aircraft Radio Apparatus.

As a result of detailed representations by the L.H. to the effect that the radio apparatus was less an information apparatus for the Luftwaffe than a navigation instrument, the further development of which in this direction was of vital importance to the Luftwaffe, Lt. Gen. v. Bockelberg expressed his agreement that aircraft wireless apparatus should be developed by the L.H. in closest touch with Wa A.

L.H. expressly promised exchange of results and the closest collaboration (Liaison officer of the In 7). Wa A to continue to be responsible for the procurement of aircraft wireless apparatus, and the Construction Control of the L.H. to take charge of delivery.

(Signed) v. Bockelberg.

Wa A  
No. 1248/33 G.K. Wa VI

Copy

20 Sept. 33

|                                     |   |                          |
|-------------------------------------|---|--------------------------|
| To the Chief Wa B (Ordnance Office) | } | against personal receipt |
| Dept. B                             |   |                          |
| To the Chief Wa Prw                 | } | I                        |
| To the Chief Chief Eng.             |   |                          |
| To the Chief Wa M                   |   |                          |
| To the Chief Wa VI II               |   |                          |

The preparations for procurement and manufacturing preparations are to be continued with vigour.

Ro No. 1:

After conclusion of the enquiries instituted, will Wa B in conjunction with Wa VI report to me as soon as possible concerning the intentions with regard to the effecting of the procurements and

(page 4 of original)

of the manufacturing preparations (together with statement of the costs).

Will Wa Prw report to me as soon as possible regarding the possibility and means of testing another metal instead of electron for incendiary bombs.

Ro No. 2:

On receipt of the plan of Dr. Drees, report will be made through Wa VI, in conjunction with Wa B and possibly Wa Prw through Wa VI.

Ro No. 4:

Wa VI will arrange for supplementary written confirmation of the agreement arrived at, which has received the full approval of the Minister.

(Signed): v. Bockelberg

TRANSLATION OF DOCUMENT No. NI-7123  
CONTINUED

CERTIFICATE OF TRANSLATION

12 July 1947

I, VICTORIA ORTON, No. 20129, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of the document No. NI-7123.

VICTORIA ORTON, No. 20129.



SPID.VII

I, Dr. ERNST DIETZ, Director of I.G. Farben, Chief of the Bureau of I.G., Secretary of the Technical Committee of the Vorstand of I.G., Manager of Division II (Sparte II) of the Vermittlungsstelle, and, since 1943, Production Manager of the entire German dyestuffs industry within the framework of the Economic Group Chemical Industry, after having first been warned that I will be liable for punishment for making a false statement, state herewith under oath, of my own free will and without coercion, the following:

I.G. was the first industrial undertaking to develop the industrial production of magnesium. In 1927 I.G. started its actual production of magnesium in its Bitterfeld plant. The yearly capacity of this plant was 1,500 tons in the beginning and from 1935 onward 4,000 tons.

In 1933 I.G. received from the Luftwaffe the order to build magnesium plant with the capacity of 12,000 tons a year. The Luftwaffe selected the site in Aken. The plant was partly completed in 1934 when production started. The plant and its production was to be kept secret by order of the Luftwaffe.

The negotiations for the construction of the plant by I.G. were carried on between the Luftwaffe and Dr. Diester of Bitterfeld. Subsequently Dr. Diester received from Schmitz a kind of blank approval to carry on with the negotiations. This procedure was not usual at that time. The financial arrangement with the Luftwaffe had already been made before the project was submitted to the T.M. After negotiations had already been carried on so far, the financial part had been settled and Schmitz's approval had been obtained, the T.M. could not very

will refuse to approve the building of the plant and the final arrangements even if it had wanted to do so.

The total investment for magnesium and aluminium in Aken amounted to about 46,000,000 marks; and for magnesium alone it amounted to about 40,000,000 marks. I.G. furthermore obtained a special concession from the Ministry of Finance authorizing I.G. to provide for an annual 2% depreciation on machinery in the plant. The normal depreciation was 1% and so I.G. obtained a considerable advantage.

Before the plant was actually built, the Luftwaffe carried out a number of tests from the air in order to ascertain how the plant itself, could best be camouflaged. In accordance with the result of these tests in which Bitterfeld's chief engineer, von der Bey, participated, the plans for the plant were repeatedly changed until the Luftwaffe was satisfied that the plant was well hid from the air. Dr. Rister subsequently stated in the T.M. that considerable additional costs had to be incurred by I.G. on account of the camouflage requirements.

The production of the magnesium plant Aken was also kept secret. A large part of the production and to my mind considerably even, consisted of tubes with a diameter of approximately 8 c.m., a wall thickness of approximately 1 c.m. and a length of approximately 20 c.m. These tubes were packed into boxes with the inscription "Textilhuelsen", a code name which means "Textile tubes". In reality these tubes were containers for incendiary bombs.

Also by order of the Luftwaffe, I.G. started planning in 1934 another magnesium factory, for which the Luftwaffe selected Steesfurth as its site. Construction of the plant started in 1935 and it was completed in part in 1938. Here again the arrangements

were entirely made between the Luftwaffe and Dr. Hister and I take it for granted that this plant too, and its products, had to be considered as secret. The production capacity for magnesium was 13,000 tons a year since 1942. The total investment amounted to 50,000,000 marks. The Luftwaffe financed the construction by granting a credit of 44,000,000 marks. Here again the Ministry of Finance agreed to increased depreciation at the rate of 20% yearly.

For Alken as well as Stassfurth, I.G. was permitted to charge to the Luftwaffe an increased amount over the cost price and the normal profit in order to be able to repay the credits out of the accrued extra profits.

I have carefully read each of the 4 pages of this declaration and have signed them personally. I have made the necessary corrections in my own handwriting and initialed them and I declare herewith under oath that I have given the pure truth to the best of my knowledge and conscience.

signed: Dr. Ernst Struss  
DR. ERNST STRUSS

Sworn to and signed before me this 2 day of June 1947 at Frankfurt/Main by Dr. ERNST STRUSS known to me to be the person making the above affidavit.

signed: Otto Heilbrunn  
DR. OTTO HEILBRUNN  
Civilian, LTO 30140  
Office of Chief of Counsel  
for War Crimes  
U.S. War Department

"... CERTIFIED TRUE COPY"

TRANSLATION OF EXCERPTS FROM DOCUMENT No. NI-14497  
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES

The Reich Minister  
of Aviation

LD I 1 H No. 3334/36 secret

(Please quote above Ref. No.,  
date and contents in reply)

To

Management of I.G. Farben-  
industrie A.G.

Frankfurt / Main

Berlin W 8, 23 June 1936  
Long Distance Tel No. A 8 Flora 0047  
Telegraphic address: Reichsluft,  
Berlin

I am referring to the contract between the German Reich, represented by the Reich Minister of War, and the I.G., which was concluded on 13/14 June 1934, the object of which was the opening of the Aken Hydronalium plant, with a production schedule of 500 tons of crude metal per month, and of a corresponding processing plant at Teutschenthal for the purpose of utilizing German raw materials.

At my behest, I.G. this year increased production at the Aken plant by an additional 80 tons of crude metal per month and enlarged the processing plant in Teutschenthal correspondingly. For this, total costs have been estimated at RM 500,000.--.

I agree to reimburse these installation costs in 4 equal quarterly installments on 1 January, 1 April, 1 July and 1 October 1939, pending an audit and final settlement. For the rest, the pertinent provisions of the above-mentioned contract are valid in every respect, whereby it will be considered within the meaning of that contract that the extension of Aken is a part of the Aken Hydronalium plant and

(2nd page of original)

the extension of Teutschenthal is a part of the Teutschenthal processing plant.

(Trans.Note: .  
Stamp of the  
Chancellory of the  
Reich Ministry of  
Aviation.)

By order  
Signed: LOEFKEN

Certified:  
(signature) BORKE  
Reich Employee..



TRANSLATION OF EXCERPTS FROM DOCUMENT No. NI-4497  
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES

(3rd page of original)

Aken - Contract

Trans.Note: (4th page of original)  
Stamp of Reich Defense  
Ministry with Prussian  
stamp superimposed.

### C o n t r a c t

between the German Reich, represented by the Reich Minister  
of Defense, hereinafter referred to as Reich,

and I.G. Farbenindustrie A.G., Frankfurt / Main,  
hereinafter referred to as I.G.

#### Section 1.

(1) In order to ensure the Hydronalium E requirements of the Reich, I.G. shall open a new factory with a productive capacity of 500 tons of crude metal a month and a processing capacity of 625 tons per month of semi-finished products by utilization of the backflow of shavings; at the request of the Reich, a site near Aken/Elbe has been selected. This installation requires the construction of an electricity transmission line from Bitterfeld to Aken as well as a connecting line for emergency electricity to the transmission line of the Elektrizitaetsgesellschaft Sachsen-Anhalt, Halle/S., which goes past Aken. It is further agreed that a new pressing plant shall be set up in Bitterfeld two thirds of the productive capacity of which shall be available for purposes of the Aken plant. (compare Section 3, para. 3).

(2) Since the Reich desires the substitution of German raw materials for those until now imported from abroad, I.G. must make a further plant available for the processing of this German raw material; for this purpose, I.G. shall offer its Teutschenthal plant, which is at present not operating.

#### (5th page of original) Section 2.

(1) I.G. shall be obliged to set up the installations mentioned in Section I as speedily as possible and to start their operation by 1 November 1934 at the latest.

(2) I.G. shall construct the installation, including equipment, with the greatest possible economy, giving due consideration to the Reich's instructions for building and to the latest developments in technology.

#### Section 3.

(1) Costs of setting up the installations mentioned in Section I, including the site required, shall be borne by I.G. for the time being. According to Appendix I, costs, exclusive of the purchase of the site, are estimated at 21.48 Million Reichsmark at the present rate of prices and wages.

(page 5 of original, cont'd)

The Reich shall have authority to audit this preliminary estimate in detail. Any excess, which, reckoned on an average, exceeds the reviewed and approved estimate by more than 6 %, requires Reich authorization.

(2) Installation costs shall be separated into normal installation costs and excess costs (Ueberteuerungskosten). Excess costs of the Aken installation as compared with costs of an installation at Bitterfeld, including the additional costs of transmission lines, as well as costs of the Teutschenthal processing plant, shall be considered as excess.

(3) All other costs shall be considered normal installation costs; a pressing plant to be set up in Bitterfeld, as authorized in Section I, para. 1, at a construction cost of RM 713,000 shall be included in the normal installation cost with two thirds of its cost, i.e. RM 475,000,-

(6th page of original)

these RM 475,000.- are included in the total amount of 21.48 Million Reichsmark. At the request of the Reich the building housing the presses in Aken is to be constructed in such dimensions that if any future addition of a third pressing machine is necessary it will be possible without requiring any extension of the building. Normal installation costs and excess costs-the latter is estimated at 7.6 Million Reichsmark in appendix II - shall be carried separately. Both normal and excess costs are subject to Reich auditing.

(4) Excluding costs of the purchase of a site the Reich shall pay  
a) the normal installation costs in 16 equal quarterly installments, beginning on 1 January 1935 and ending with the payment due on 1 October 1938; b) the excess costs, as far as the Aken plant, including transmission lines, is concerned, in 4 equal installments on 1 February 1934, 1 May 1934, 1 August 1934 and 1 November 1934, as far as the Teutschenthal processing plant is concerned, in 8 equal installments on 1 March 1934, 1 June 1934, 1 September 1934, 1 December 1934, 1 March 1935, 1 June 1935, 1 September 1935 and 1 December 1935.

(5) The Reich agrees to pay interest on all installation costs which have not been paid at a rate exceeding the Reichsbank discount by 2 %, and to pay the Reichsbank discount rates of interest on the costs of the acquisition of the site. Payments of interest shall become due at the same time as the installments. In as far as the Reich has advanced installments, I.G. shall pay interest at an equal rate. The obligation to pay interest on the costs of the site purchase shall end as soon as the

(7th page of - original)

Aken plant ceases working for the Reich and the Reich states that it no longer has any interest in keeping this plant operating at its expense; (compare Section 6, paragraphs 2 and 5), no later than that date, however, on which the plant will be freely available to I.G., according to Section 8, para. 5. After 31 December 1938 furthermore, the Reich may end interest payments on the cost of the site purchase by refunding the cost to I.G. This shall not affect the property rights of I.G.

(6) It is agreed that, after payment of the installments and interest rates as stated in this Section 3, I.G. may only account for payments and interest rates for installation costs of new investments (apart from the payment of interest rates on the cost of the site purchase, according to para. 5).

(7) It is stated beforehand that the financial actions of the Reich on the basis of this contract are not financial support in the meaning of the first part of Chapter V, Section 1, of the Reich President's decree of 4 September 1932 for the revival of the economy (Reich Law Gazette, page 425) and can in no event be considered a state subsidy.

#### Section 4.

(1) I.G. undertakes to produce 5,200 tons Hydronalium E in its new installations by 1 November 1935 and to deliver it in equal shipments, according to the provisions for delivery agreements to be concluded, to the Reich and/or to the office or firm to be designated by the Reich, whereby

(8th page of original)

delays resulting from the opening shall be permissible for the period from 1 November until 31 December 1934; however, half of the yearly quantity, 2,600 of semi-finished products, shall have been shipped from the Aken consignment by 30 April 1935. The Reich guarantees a regulated sale in equal monthly quantities and payment of an equivalent value, to be fixed according to Section 5, within one month of the date of the invoice.

(2) The quality of the Hydronalium E shall comply with the provisions of Appendices 3 and 4.

(3) The Reich further guarantees that it will place, or permit to be placed, orders for equal quantities in the three years from 1 November 1935 until 31 October 1938 according to the provisions fixed in this contract, unless prevented in this by the political situation or by an act of God. I.G. undertakes delivery of such orders placed on the basis of these guarantees.

(4) The Reich undertakes to have the waste material (shavings and pieces) resulting from the processing of the products returned to I.G. at current prices, as determined by general market conditions,



(page 3 of original, cont'd)

quality and quantity of the waste material and competitive price for metal waste material, that is to say, the Reich shall obligate the processing party accordingly, reserving the right to check the price establishment. I.G. shall undertake to re-use the shavings and waste pieces in Aken, as far as practicable, for purposes of the Reich and to use them as raw material according to Section 5, para. 2 a, as far as paid for at current prices by I.G.

( 9th page of original)

Where the shavings cannot be used in Aken and cannot be used by I.G. without prejudicing the production interests of Bitterfeld, no compensation will be granted.

(5) If the processing of the products is stopped for lack of utilization possibilities or the products already processed are diverted from their purpose, the products already delivered by I.G. shall be returned to I.G. as waste products at prices to be fixed later on.

(6) The shipping agreements shall be based on the Contractual Provisions for Orders - except building orders - for the Wehrmacht (VOW) of 16 December 1932, in as far as this contract contains no other stipulation.

(7) In case I.G.'s monthly shipments become overdue 2 weeks the Reich may, demand 1/2 % of the value of that part of the shipments which is overdue for each full week after the first 2 weeks, if the final delivery of 1 November 1935 is delayed by more than 2 months, the Reich shall no longer be obliged to accept the overdue amounts of the order for that year.

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( 13th page of original)

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Section 11.

(1) I.G. binds itself to keep this contract and the correspondence leading to its conclusion secret, as well as all lists and files pertaining to it. Any knowledge of it and/or individual provisions thereof shall only be revealed to the absolutely necessary extent and only to those persons which must be employed, directly or indirectly, for the processing and execution of the contracts.

(2) I.G. shall pledge such persons to the strictest secrecy and call to their attention Sections 88 ff of the Reich Penal Code in the version of 24 April 1934.

( 2th page of original)

Section 12.

(1) The contract has been executed in duplicate by the two parties as follows. Each party receives one copy. The firm is obliged to deposit its copy, including the pertinent files, in Berlin.

(2) The Reich shall guarantee that no charges will be made for stamps.

-----  
Appendices forming parts of this contract:

Appendix 1, Preliminary Estimate of Installation Costs, dated 16 January 1934 (1 Sheet)

Appendix 2, Preliminary Estimate of Overcharge Costs, dated 16 January 1934 ( 1 Sheet)

Appendix 3, Excerpts from Provisional Conditions of delivery of March 1932 (1 Sheet)

Appendix 4, Test of Industrial Materials. Chemical and Mechanical Tests of January 1934 (1 double sheet, both pages printed)

Appendix 5, Arbitration Agreement (2 Sheets).

Berlin, 14 June 1934

Frankfurt o/M. 13 June 1934

The Reich Minister of Defense

I.G. Farbenindustrie Aktiengesellschaft

(Signature) GIESS  
Major General and Chief of  
the Army Ordnance Office.

(Signatures) G. PISTOR BUHL

2  
CERTIFICATE OF TRANSLATION

9 July 1947

I, Dorothea L. GALEWSKI, ETO No. 34 079, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of the excerpts from document No. NI-4497.

Dorothea L. GALEWSKI  
ETO No. 34 079.

TRANSLATION OF EXCERPTS FROM DOCUMENT No. NI-4496  
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES

THE REICH AIR MINISTER

Berlin 7.8, 23 June 1936  
Telephone: A 2 Flora 0047  
Cable address: Reichluft Berlin

LD I 1 J No. 3334/36 secret  
(Please state in reply the  
above file numbers, date and  
contents in short)

S e c r e t

To the  
Management of the  
I.G. Farbenindustrie A.G.  
  
Frankfort on Main  
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As a result of repeated conferences I am pleased to confirm the following agreement on behalf of the German Reich:

In order to guarantee Wehrmacht requirements of Hydronalium E, I.G., which has for this purpose already established the plant at Aken as a result of a contract dated 13 and 14 June 1934 with the Reich represented by the Reich War Minister, is going to erect another factory at Stassfurt for the production of 340 tons of crude metal per month, and also a smelting-house and foundry for pig-iron and blocks, and power supply lines. The plant shall be constructed in such a way that it will be possible to increase production to 600 tons of raw material per month. Also, an adequate preparatory plant will be added for processing German raw material. Finally, for the production of semi-finished goods from Hydronalium E a die-casting plant will be put up by I.G. at Stassfurt or Aken for the production of 50 tons semi-finished goods per month. For further details as to the kind and size of the plant, reference is made to enclosure 1). This enclosure shows a final estimate of 19,753,000.-- RM. It goes without saying that this estimate (enclosure 1) is to be replaced by

(page 2 of original)

a corrected estimate after final settlement of accounts. This authorized and recognized estimate may be exceeded by an average margin of 6 % and will be considered approved without special permission having to be obtained.

I confirm that the plants mentioned are constructed on my request and for my special purposes to cover a certain additional demand and that, when Wehrmacht orders are being distributed to the various Hydronalium plants of I.G., the economic interests of your main plant at Bitterfeld shall be taken into consideration, provided no special arrangements are required in the interests of home defense.

Furthermore, I confirm that the new plants imply an increased risk for I.G.. In compensation of this risk, I shall, within one year after

TRANSLATION OF EXCERPTS FROM DOCUMENT No. NI-4496  
CONTINUED

(page 2 of original, cont'd)

their completion, separately refund the special expenses arising from these plants which have been specially designated in enclosure 1) and which arise from the fact that for the construction of the Stassfurt Plant, apart from economic and technical aspects, those of a military character have to be taken into consideration. Moreover, I shall also refund to I.G. the following amounts in cases where the above mentioned plants are no longer or not fully engaged in the execution of Reich orders or orders from other sources:

. . . . .  
(page 3 of original)

. . . . .

These guarantees only refer to investments which are accepted as necessary and which I have specially approved. Furthermore, it is assumed that agreement exists on the following decisions:

1. Every change in production capacity as well as part-sale or entire disposal of the above mentioned plants are subject to my approval.
2. On my request these plants have to be held available for the execution of Wehrmacht orders to which preference will be given.

(page 4 of original)

The execution of other orders in these plants requires my consent, which will normally be granted.

3. Even when the plants are not operating at full capacity or when they are idle, they are to be kept in good operating condition on my orders, and I shall decide on the extent and fashion of this state of preparedness. Maintenance costs arising therefrom (including taxes due for the plants and public charges) will be separately refunded by me provided that, during periods in which the plant is not fully employed, they are not included in prices charged on goods produced on my orders or on goods produced on orders of third parties, and provided also that profits in excess of the amount of interest normally to be expected on capital investments and arising from the operation of the Aken works during the present or previous calendar year and/or from the operation of the Stassfurt works in fulfilling contracts for third parties, cannot be used in meeting these costs arising up to and inclusive of the year 1950. If, for lack of Wehrmacht orders and for lack of other possibilities of economic employment, the plants are idle, the expenses arising therefrom will be refunded by me. At the same time I reserve to myself the right to check these expenses and to decline the taking over of disproportionate costs. The I.G. may be asked to bear these expenses under application of the conditions laid down in the previous



TRANSLATION OF EXCERPTS FROM DOCUMENT No. NI-4496  
CONTINUED

(page 4 of original, cont'd)

sentence.

4. Provided the plants are not fully employed for the purposes of the Wehrmacht, you will undertake to comply with my request also to carry out orders for third parties in your plants to an extent to which it might fairly be demanded under consideration of the circumstances, especially those of a technical and

(page 5 of original)

economic nature.

.....

(page 6 of original)

.....

As to the supply of the German raw material Dolomite for the new plants, I consider it most important that supplies should be obtained not only from the source at Velden (Bavaria) but that, in order to safeguard supplies, a second source of the raw material should be utilized. I have taken note of the fact that you complied with my request by making a contract with the Kali-Chemie A.G. of Berlin, by which you obtain the right on deliveries from the Dolomite source near Scharzfeld (Southern Harz) and I agree to the conclusion of the contract with Kali-Chemie A.G. which is attached

(page 7 of original)

to this letter as enclosure 3). In accordance with this contract between I.G. and Kali-Chemie, Kali-Chemie undertakes to establish at Schwarzfeld adequate production plants and a dolomite kiln with an output capacity of about 800 tons of burnt Dolomite per month. The cost of the plants (without the acquisition of the plot) is estimated at 200,000.-- RM., but this sum may be exceeded by 10 % and will still be considered as within the cost estimate. I confirm that these plants have also been erected on my request and for my special purposes, and I, therefore, declare my readiness, after the above-mentioned expenses for the plants have been examined and approved by myself, to refund to I.G. the following amounts, to be passed on to Kali-Chemie, even if the aforesaid plants are not, or not fully, engaged in the execution of orders for the Reich or for others:

- a) Annual depreciation amounts of 10% each on the original value for the period of 10 years, counted from the completion of the plants.
- b) The normal interest on the capital invested in the plants, at the very most, however, on the remainder as ascertained on the

TRANSLATION OF EXCERPTS FROM DOCUMENT No. NI-4496  
CONTINUED

(page 7 of original, cont'd)

basis of depreciation refunds to Kali-Chemie.

This, however, on condition that the obligations entered upon by Kali-Chemie in the said contract with I.G., especially those concerning maintenance of the plants in good working conditions, preferential treatment of supplies to the I.G. Hydronalium plants,

(page 8 of original)

inclusion of a proportionate charge for depreciation expenses on deliveries to private firms, (Article 5a), b) and d) of the aforesaid contract), may only be changed with my approval; with regard to those depreciation expenses I am prepared in very exceptional cases to agree to a reasonable reduction of the charges.

By order

signed: LOEPKENS

Seal of the  
Reich Air Ministry  
Secretariat

Certified  
(Signature,  
Government Clerk

(page 9 of original)

C o p y :

C o n t r a c t

between

Kali-Chemie Aktiengesellschaft, Berlin NW 7,

- hereinafter referred to as "Kali-Chemie" -

and

the I.G. Farbenindustrie Aktiengesellschaft, Frankfurt on Main,

- hereinafter referred to as "I.G." -

I.G. gives an undertaking to the Reich, represented by the Reich Air Minister, (hereafter called "R.L.M."), to construct at Stassfurt a plant for the production of Hydronalium E, including a preparatory plant for processing the German raw material "Dolomite", after having established and started to operate an earlier preparatory plant for Dolomite in Germany to supply its already existing plants. Up to now the source at Velden (Bavaria) has been chosen to supply its works with Dolomite. The R.L.M., however, demanded that, in addition to Velden still another source of raw material is to be provided. As such, the source at Scharzfeld (Southern Harz) can be considered, where Kali-Chemie already owns grounds and mining rights. I.G. has also secured mining rights from the parish of Scharzfeld by an option contract dated 26 January 1934 (Enclosure). As, under consideration of space limitations for loading it is not possible, and for economic reasons not practicable,

(page 10 of original)

that both firms, Kali-Chemie and I.G. work Dolomite at the same time and side by side, the contracting parties have agreed that the quarry is to be worked only by Kali-Chemie and that for the time being I.G. will obtain Dolomite in raw or burnt condition from Kali-Chemie through a supply contract.

The contracting parties have, therefore, agreed on the following terms:

Article 1.

I.G. exercises its option granted by the parish of Scharzfeld and permits the operation of the quarry by Kali-Chemie in accordance with

(page 10 of original, cont'd)

the regulations of the option contract. The payments<sup>which</sup> have to be made to the parish of Scharzfeld according to the lease contract, i.e. rent, quarrying dues per ton of useful rock and any liability incurred for premature falling of timber, will be carried out by Kali-Chemie and included in the sales price of the products.

Article 2.

Kali-Chemie is to build a Dolomite burning-plant at Scharzfeld on grounds still to be procured at their expense. The plant is to have a production capacity of about 800 tons of burnt Dolomite per month.

Article 3.

Plant expenses for quarrying and for burning-plant, an estimated total of RM. 200,000.-- are to be provided by Kali-Chemie. The estimate, as appended to this contract, is as follows:

- a) quarrying machinery RM. 60,000.-- and
- b) burning-plant RM. 140,000.--

(page 11 of original)

The total plant costs may be exceeded by 10% and will still be considered as within the limits of the estimate. The parties agree that before the construction of the plant, the plans, including cost estimates, will be mutually submitted to the R.L.M. for approval. After completion of the new buildings, and determination of their cost, the cost of the plants will be definitely ascertained according to actual expense incurred. I.G. and R.L.M. are entitled to check these figures.

Article 4.

In accordance with their agreement with R.L.M. I.G. cannot undertake to guarantee that they will purchase the Dolomite produced; therefore R.L.M. has declared himself willing to pay I.G. the following sums even if the plants named in Article 3 are not, or not fully, engaged in the execution of orders for the Reich or for others:

- a) annual depreciation amounts of 10% each on the original value for the period of 10 years, counted from the completion of the plants.
- b) interest of 5% on the capital invested in the plants, at the very most, however, on the remainder as ascertained on the basis of depreciation refunds to Kali-Chemie.

I.G. fully and entirely transfers this guarantee of the R.L.M. to Kali-Chemie.



Article 5.

Kali-Chemie undertakes:

- a) to keep the plants named in Article 3 in good working order during the period of this contract. If production has to be discontinued or considerably reduced because there is no demand for Dolomite

(page 12 of original)

on the part of I.G. or third parties, the I.G. together with R.L.M., shall decide the extent to which the plants have to be kept operational and shall refund all demonstrable expenses, including taxes and public charges, incurred thereby;

- b) to keep these plants available during the contractual period, primarily for the purpose of supplying all I.G. Hydrenalium plants, if necessary up to their full capacity.
- c) not to supply raw Dolomite or burnt Dolomite for the duration of the contract, and beyond that, up to the end of the year 1951, to third parties, either directly or indirectly for the purpose of producing Magnesium from it without the approval of I.G.. The expiry date of this undertaking (31 Dec. 1951) shall be postponed for a further 5 years in each case if the undertaking is not cancelled by registered letter by one of the contracting parties at least 6 months before its expiry date.
- d) to include a depreciation rate in delivery prices of raw or burnt Dolomite produced in the plants erected in accordance with Article 3, when supplying third parties or I.G. with the product for private industrial purposes (as opposed to Wehrmacht purposes), and also when supplying Kali-Chemie's own needs; this depreciation rate to be fixed at RM. -.30 per ton of raw Dolomite and to RM. 2.-- per ton of burnt Dolomite. Tonies obtained through this depreciation rate are to be included in the depreciation sums guaranteed by R.L.M. in accordance with article 4;

Article 6.

This contract shall be valid until 31 December 1946, with the provision that I.G. is entitled to demand an extension of the contract

(page 13 of original)

for another 5 years i.e. until 31 December 1951, this demand to be put forward 6 months before the expiry date.

Article 7.

Within the period of the contract and at 6 months notice, I.G. is at liberty to demand an alteration in the provisions of the contract,

(page 13 of original, cont'd)

entitling them to join the Dolomite enterprise of Kali-Chemie at Scharzfeld as an equal partner. I.G. will join in such a way that:

- a) the two parties found, and participate equally in a separate company in the form of a GmbH. An amicable agreement shall be made on the sum of capital to be invested in the GmbH. The arbitration court shall be called upon to make a decision if necessary. When exercising the option (founding of the GmbH) I.G. has without delay to refund in cash to Kali-Chemie 50% of the invested funds, which, in accordance with articles 2 and 3, have been mutually ascertained as the cost of the plants and purchase price of the land. The depreciation sums paid by I.G. in accordance with Article 4 when receiving supplies of the product, and refunded by R.L.M. in accordance with Article 4, are to be proportionately deducted from the value of the plant, and also the depreciation sums received in accordance with Article 5 sub-para d. However, depreciation sums which arose from the fact that Kali-Chemie supplied herself with some of the product shall not be included. The special bonus mentioned in sub-para c is to be added to the total thus obtained;
- b) both parties vest their rights to work the Dolomite quarry at Scharzfeld in the new company (Kali-Chemie's ownership and quarrying rights at Scharzfeld; I.G., their lease contract with the parish of Scharzfeld);

(page 14 of original)

- c) in appreciation of their preliminary work in finding a suitable source of Dolomite and in opening it up, as well as in providing working methods, etc., I.G. will pay Kali-Chemie an appropriate sum of money, the amount of which shall be mutually agreed upon by the two parties and which in no case should be less than 20,000.-- RM. If no agreement can be reached, the amount of this compensation, as far as it exceeds 20,000.-- RM., is to be fixed by the arbitration court provided for in the following;
- d) the new company takes the place of Kali-Chemie as regards rights and obligations arising from this contract, and leases the plants provided for this purpose by Kali-Chemie in accordance with Article 3, whereby the new company undertakes to pay current maintenance expenses, including taxes and public charges or to refund them to Kali-Chemie as the case may be. Any depreciation or interest paid by R.L.M. in accordance with Article 4 as well as depreciation payable in accordance with Article 5 sub-para d, shall go to the new company. If the GmbH is founded, Kali-Chemie shall be in charge of plant and business management. I.G. shall have appropriate supervisory rights.

#### Article 8.

Unusual and unforeseeable circumstances shall entitle both contrac-

TRANSLATION OF EXCERPTS FROM DOCUMENT No. NI-4496  
CONTINUED

(page 14 of original, cont'd)

ting parties to demand appropriate reconsideration of payments arising from this contract and before its expiry date, if, under consideration of the other partners interests, adherence to the figures agreed upon cannot reasonably and fairly be demanded from one of the partners.

(page 15 of original)

The above provision does not include depreciation agreements.

Article 9.

Differences of opinion should, whenever possible, be settled by the parties themselves in the friendly spirit of this contract. Should this prove impossible in any particular case, the matter is to be submitted to an arbitration court which shall make the final decision and against which no appeal to law courts shall be possible. To this arbitration court each of the disputing parties delegates an arbitrator, who on demand, within a fortnight after a complaint has been filed by the suing party, has to be named to the other party by registered letter. If the two arbitrators do not arrive at an understanding within 14 days, counted from the appointment of the second arbitrator, they shall choose an umpire. If within another fortnight they cannot agree on whom to choose, the umpire shall be appointed by the chairman of the Chamber of Industry and Commerce of Berlin. This chamber shall also appoint an arbitrator if one of the parties has failed to nominate an arbitrator in good time.

Only persons who are not interested in the issue in any way and who are not closely connected with any authoritative persons of either party may be appointed as arbitrators. The case may only be presented to the arbitrators in writing, or verbally during the proceedings. Beyond that, neither of the parties is permitted

(page 16 of original)

to contact a member of the arbitration court before or during the proceedings for the purpose of preparing the decision or for the purpose of dealing with the subject-matter.

The procedure before the arbitration court shall be in accordance with the German Civil Law Code.

If decisions have to be made by ordinary courts, the District Court in Berlin is chosen as the competent court for decisions arising out of arbitration court proceedings.

Berlin NW 7, Date: . . . . .  
Kali-Chemie Aktiengesellschaft

Frankfort on Main, Date: . . . . .

I.G. FARBENINDUSTRIE AKTIENGESELLSCHAFT

TRANSLATION OF EXCERPTS FROM DOCUMENT No. NI-4496  
CONTINUED

CERTIFICATE OF TRANSLATION

17 July 1947

I, Arthur MACNAMARA, No. 20191, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of Excerpts from document No. NI-4496.

Arthur MACNAMARA  
No. 20191



K

S 398

MINISTERIALRAT A.D. DR. BUHL  
Member of the Vorstand of  
I.G. Farbenindustrie Aktiengesellschaft

Frankfurt (Main) 20, 14 Dec. 34.  
Business Address: Gruenburger-  
platz-  
Telephone 200 27, 555 49  
Private Address: Wilmshohl-  
strasse 14a  
Telephone 344 06

Handwritten:  
20.12.34

(stamp) Herrn Direktor Brendel  
(stamp) Herrn Duden  
(stamp) Herrn Dr. Pratz

Pencil note :  
Defense Contract ( Wehrvertrag  
(?))

Central Office for Contracts,  
Ludwigshafen a.Rh.

Subject: Patents Combine Contract.

At the request of the Reich Minister of Aviation, the light metal works which produce component parts for airplane construction are to form a patents combine, in order that the patents which are at their disposal for their purpose are made available to each other. I am enclosing the draft of a skeleton agreement which will presumably be accepted with minor changes. I am enclosing one copy only because this contract could be of no interest to the other Sparten and also because it is to remain secret as far as practicable.

Signature : Buhl

-----

CERTIFICATE OF TRANSLATION

10 June 1947

I, Arthur HACHMANN, Civ.No. 20 191, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of the document No. NI-5936.

Arthur HACHMANN,  
Civ.No. 20 191

Copy

21 December 1934

Reich Air Ministry  
Berlin  
Behrenstrasse

We have the honor to inform you, on behalf of the firms named below,

- 1) Vereinigte Leichtmetallwerke G.m.b.H., Bonn a.Rh.,
- 2) Duerener Metallwerke A.G., Dueren,
- 3) Leipziger Leichtmetallwerk G.m.b.H., Rackwitz and
- 4) Wieland-Werke A.G., Ulm a.d. Donau

that, in accordance with the request of the Reich Air Ministry, we have formed a patent combine with the above named firms for the manufacture of intermediate products out of alloys based on Aluminium or Magnesium for the purpose of aircraft construction.

With German Salute and  
Heil Hitler!

I.G. FARBEINDUSTRIE AKTIENGESELLSCHAFT

(page 2 of original)

Copy

22 December 1934

Admiral Lohs,  
President of the Reich League  
of the German Aviation Industry Berlin W 35, Blumeshof 17  
(Reichsverband der Deutschen Luftfahrt-Industrie)

Dear Admiral,

We have the honor to inform you, on behalf of the firms named below,

- Vereinigte Leichtmetallwerke G.m.b.H., Bonn a.Rh.,  
Duerener Metallwerke A.G., Dueren,  
Leipziger Leichtmetallwerke G.m.b.H., Rackwitz and  
Wieland-Werke A.G., Ulm a.d. Donau

that, in accordance with the request of the Reich Air Ministry, we have formed a patent combine with the above-named firms for the manufacture of intermediate products out of alloys based on Aluminium and Magnesium, for the purpose of aircraft construction.

In thanking you for your kind intervention, we would like to add that the undersigned (left signature) will avail himself of the first opportunity next year to give you further information verbally. We informed the Reich Air Ministry accordingly.

With German Salute and  
Heil Hitler!

I.G. FARBEINDUSTRIE AKTIENGESELLSCHAFT

(page 3 of original)  
Patent Combine Contract.

The following firms:

1. Vereinigte Leichtmetallwerke G.m.b.H., Bonn a.Rh.,
  2. Duerener Metallwerke A.G., Dueren,
  3. I.C.Farbenindustrie Aktiengesellschaft, Frankfurt a.M.,
- and Leitzinger Leichtmetallwerk G.m.b.H., Rackwitz, forming a group for the purpose of this contract, without establishing any joint liability, and each firm as far as the granting and taking of licences is concerned, acting independently, whether as patentee or licensee,
4. Wieland-Werke A.G., Ulm a.d.Donau,
- have decided, at the suggestion of the Reich Air Ministry, to allow each other, within the limits of the following terms of contract, the mutual use of their patent rights for the promotion of aircraft construction.

This agreement refers to such patent rights only as are necessary or useful for the manufacture of intermediate products out of alloys based on aluminium or magnesium, in so far as they concern the raw material itself or the improvement or processing of the raw material from the forming of the alloy up to the marketable stage of the intermediate product, and provided that the manufacture of these intermediates calls for mechanical milling (pressing, rolling, etc.);

(page 4 of original)

therefore, those patent rights particularly which concern the metallurgic process of obtaining the metal elements of the alloy are not subject of the contract. Moreover, the right to use these patent rights is limited to the manufacture of intermediate products for the construction of aircraft, including built-in accessories.

The intermediate product manufactured under licence may only be delivered within Reich territory and for the specified purpose of aircraft construction. The suppliers are to make provision, as far as possible, to prevent even indirect export through re-sale.

It is understood that the terms of this contract must not be circumvented by applying for patents for inventions of one of the contracting parties through firms of the same Konzern or through third parties.

So far as this contract contains the obligation to grant licences, the contracting parties renounce their right to file suit against each other for breach of contract.

This contract does not affect the procedure of the Reich Patent Office (Reichspatentamt) (particularly the raising of objections against patent applications), with the restriction that, if the parties do not agree on the filing of a suit of nullification, the decision of an arbitration board must be obtained, before filing the suit, as to whether, under due consideration of all the facts of the case,

(page 5 of original)

the filing of the suit is permissible. If the filing of a nullification suit is refused, the arbitration board will at the same time grant an appropriate licence for possible use of the patent involved.

TRANSLATION OF DOCUMENT No. NI-4926  
CONTINUED

(page 5 of original cont'd)

Disagreements regarding the granting of a licence and also regarding violations of patent which, in accordance with the above arrangement, must not be settled in court are at first to be negotiated between the contracting parties. If no agreement is reached, either of the parties may request that negotiations be continued with a mediator agreeable to both parties.

Should this procedure also not lead to any agreement regarding the amount of licence fees, or the fact and extent of the violation, or the extent of the patent right, an arbitration board will be set up to make the final decision, admitting of no appeal.

In order to establish the arbitration board, each of the litigating parties will at the request of the other party appoint an arbitrator within 14 days, and these two arbitrators will jointly elect a chairman. If either party does not appoint its arbitrator in time, or if the arbitrators are unable to agree on a chairman within four weeks after their appointment,

(page 6 of original)

Admiral Lohs, after hearing the parties and the mediator, will appoint the missing arbitrator or chairman respectively, so long as he remains the President of the Reich League of the German Aviation Industry (Reichsverband der Deutschen Luftfahrtindustrie); thereafter, if no other agreement is reached by the parties, the appointment will be made by his successor in the Reich League.

The arbitration board will be guided by the regulations of the Code of Civil Procedure (Z.P.O. = Zivilprozessordnung), with the qualification that any judicial actions within the meaning of paragraph 1036 Code of Civil Procedure are within the jurisdiction of the Landgericht Berlin. The arbitration board will also decide on costs, in accordance with paragraph 91 and following paragraphs.

This contract is entered into for an indefinite period of time, and any of the contracting parties may give six months' notice of termination, effective at the end of a calendar year, at the earliest on the 31 December 1938.

Frankfurt a.M., 21 December 1934.

CERTIFICATE OF TRANSLATION

18 August 1947

I, JULIUS J. STEUER, AGO A 442654, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of the document No. NI-4926.

JULIUS J. STEUER, AGO A 442654.



TRANSLATION OF DOCUMENT No. NI-5935  
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES

Rubber Stamp.      Legal Dept.  
Received 27th Dec. 34.A.M.

Ministerialrat a.D. Dr. BUHL      Frankfurt (Main) 20,  
Member of the Vorstand of the      22nd Dec. 1934.  
I.G. Farbenindustrie Aktiengesellschaft

Business address: Grüneburgplatz

Tel. 200 27  
555 49

Rubber Stamp:

Private address: Windmühlstr.

Herrn Director Brendel ,  
Herrn Duden ,  
Herrn Dr. Pratje.

14a  
Tel. 34 406

Central Contract Dept.

Ludwigshafen a.Rh.  
-----

Re : Patents Partnership Agreement.

With reference to my yesterday's letter, I  
send you herewith attached a copy of the final agreement  
concluded under yesterday's date.

(Signed) BUHL.

s. BUHL 22.12.34

21.12.1934.

Patents Partnership Agreement.

The following firms

- 1.) Vereinigte Leichtmetallwerke G.m.b.H., Bonn a.Rh.,
- 2.) Dürener Metallwerke A.G., Düren,
- 3.) I.G. Farbenindustrie Aktiengesellschaft, Frankfurt a.M.,  
and Leipziger Leichtmetallwerk Rackwitz +) who form  
a group for the purpose of this agreement, which does  
not however imply a joint responsibility and in regard  
to the giving and receiving of Licenses, the two firms,  
according as to whether they are patentholders or li-  
censes receivers, each act separately,
- 4.) Wieland-Werke A.G., Ulm a.d.D.,

have at the suggestion of the Reichs Aviation Ministry,  
with the object of furthering the construction of air-  
craft, resolved, within the framework of the following  
agreement regulations to permit in principle the mutual  
use of their patent rights.

This agreement applies only to patent rights which  
are essential or useful for the production of half-finished  
goods made of alloys with an aluminium or magnesium basis,  
to the extent that they concern the material itself or the  
improving or refining of the material from the alloy for-  
mation onwards to the saleable half-finished product, and  
in so far as, during the production of these half-finished  
goods, a kneading process (pressing, rolling etc.)

(page 2 of original)

takes place; accordingly such patent rights in particular  
as concern the foundry production of the metals necessary  
for the formation of the alloys are not included in this  
agreement. The claim to the use of these patent rights  
is further restricted to the production of half-finished  
goods for the manufacture of aircraft, including built-in  
accessories.

The half-finished product manufactured under li-  
cense may only be supplied within Reich territory and only  
for the purpose of aircraft production as indicated.

+) see ffm. 3.7.35

(page 2 of original cont'd)

The suppliers have to ensure to the best of their ability that there is no possibility of indirect export through re-sale.

It is understood that the regulations of this agreement may not be evaded by one of the contracting parties making application for patents for discoveries made through combine firms (Konzernwerke) or third parties.

So far as in accordance herewith there exists an obligation for the issue of licenses, the contracting parties renounce legal recourse against each other for infringement.

The process before the Reichs Patent Office (especially the raising of objections against Patent applications) is not affected by this agreement, with the restriction that, if the parties do not agree over the raising of a plea of nullity, the Court of Arbitration is to be applied to before a plea of nullity is raised to

(page 3 of original)

review the whole matter and to decide whether the raising of the plea of nullity may be allowed. Should the plea of nullity be denied, the Court of Arbitration will at the same time, in accordance with the position of the matter, determine a suitable license for the eventual use of the Patent in question. The question of the issue of a license and likewise the case of a Patent infringement which in accordance with the above agreement may not be settled by way of a legal suit, will first be negotiated as between the contracting parties. If no agreement is reached, further negotiations may on the request of one party be conducted by the addition of a mediator agreeable to both parties.

If then no agreement can be achieved over the (?) 11.11.36 necessity of the license issue and the amount of the license fees, or over the fact and the extent of the infringement or the scope of the protection afforded by the Patent, a Court of Arbitration will meet which, while excluding legal action, will give the final decision.

The Court of Arbitration will be constituted in such manner that within fourteen days each of the disputing parties will at the request of the other party nominate an arbitration judge and that both of these arbitrators then together elect an umpire.

TRANSLATION OF DOCUMENT No. NI-5935  
CONTINUED

(page 3 of original cont'd)

Should one of the parties fail to nominate his arbitrator within the required time, or should the arbitrators fail to agree on an umpire within four weeks of their having both accepted the nomination, the nomination of the missing arbitrator or umpire shall, after

(page 4 of original)

hearing the parties and the mediator, be made by Admiral LAHS, so long as the latter is president of the Reichs Association of the German Aircraft industry, and eventually, should no other arrangement be achieved between the parties, by his successor on the Board of the Reich Association.

The Arbitration Court will be governed by the regulations of the Z.P.O. (Central Patent Regulations) with the proviso that the District Court of Berlin is competent for any possible judiciary negotiations in the sense of Article 1036 Z.P.O. The Court of Arbitration shall also at the same time, in accordance with Articles 91 ff. Z.P.O. adjudicate on the question of costs.

This agreement is made for an indefinite period, and can be terminated by each party on 6 months' notice at the end of a calendar year; but not earlier, however, than the 31st December, 1938.

Frankfurt a.M., 21st December, 1934.

CERTIFICATE OF TRANSLATION

I, Victoria Orton, 20 ,29, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of Document No. NI-5935.

Victoria ORTON  
20 129.



TRANSLATION OF DOCUMENT No. NI-7285  
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES

I.G. Farbenindustrie Aktiengesellschaft  
Bitterfeld

7 February 1935

Stamp:  
Techn. Direct. Dept.  
Leverkusen, 9 February 1935

To:  
Director Dr. ter Meer,  
Frankfurt on Main  
Gruenewaldplatz

Dear Dr. ter Meer,

Yesterday I discussed very thoroughly the question Magnesium/Hinterhall  
with the officials of the Ministry and take pleasure in enclosing herewith  
a copy of my notes on this conference.

Mit deutschem Gruss!

(signed) G. Pistor.

Copies to:  
Director Dr. Kuchne  
Director Weber-Andreas

Illegible Initials

(page 2 of original)

Notes Confidential!  
on the conference at the Reich Ministry of Aviation on 6 February 1935,  
12.00.

|          |                                |                                 |
|----------|--------------------------------|---------------------------------|
| Present: | General Kesselring             | } Reich Ministry<br>of Aviation |
|          | Counsellor of Ministry Hoefeld |                                 |
|          | Tschersig                      |                                 |
|          | von Hellgrath                  |                                 |
|          | Dr. Bader                      | Army Ordnance Office            |
|          | Dr. Pistor                     | I.G., Bitterfeld                |

I had asked General Kesselring for an interview because Mr. Tschersig  
of the Reich Ministry of Aviation had told us in a conference on 1 February  
1935 that the quantity of Electron metal for Alcon 2 will not be 500 tons  
but only 350 tons. I suspected that the difference of 150 tons was going  
to be reserved for production by Hinterhall. I stated that, for a long  
time, the question Hinterhall had been disturbing to us, but that we had  
not succeeded to get information on it from the Reich Ministry of Aviation  
\*that ) or from Dr. Bader. I also mentioned\*with whom I discussed the matter had  
Colonel ) told me on 16 January that he did not know anything about an order  
Loeb ) having been given, that he, however, was not in charge of the department  
any more. I mentioned that Dr. Krauch had been told in an interview with  
General Liese, arranged in December on recommendation of Geheimrat Bosch,

(page 2 of original cont'd)

that nothing was known about an order having been given to Wintershall. I said that I, some weeks ago, approached General Kossolring, as the gentlemen present know, but that I had been told by him, too, that he did not know anything about an order having been given to Wintershall. Therefore, so I said, I was surprised and disturbed by Dr. Tschersig's information since I had to consider an order given to Wintershall as very detrimental to the interests of I.G., since I.G.'s merits for the development of Magnesium metal are far greater than those

(page 3 of original)

of Wintershall, and that I should regret it most sincerely, particularly from the point of view of National Economy, if Wintershall should actually receive an order. I explained that government orders would certainly cease one day; at that time only a small production would remain to be carried out, and because of the competition which Wintershall would certainly start on a considerable scale, conditions would become bad for our factory and office employees. I repeated what I had told Dr. Bader several times, namely that Dr. Schacht had taken these economic facts well into consideration when, on occasion of the increase in production capacity of the German aluminum factories, still other aluminum works had tried to start competition with us. I confessed that I did not expect the responsible authorities of to-day to desire such a development in the future. If Dr. Bader had given such an order to Wintershall, I went on, we would be very much surprised, especially since we had received Dr. Bader as representative of the Ministry of Economy for Alcoa with the utmost friendliness and sincerity, and had shown him, on his request, all the installations down to the smallest detail and had given him the most detailed information on everything whenever he asked for it.

Furthermore, I said, I should like to draw the attention of the gentlemen present to the rumor reported to us that Wintershall had asked MAN (Maschinenfabrik Augsburg-Nürnberg A.G.) about the availability of casting machines for light metals and had, as MAN told us, shown themselves very well informed on our casting methods. I recalled that we had forwarded this report to Dr. Bader and other offices concerned with this matter. Then I pointed out that we not only had acquired great merit for developing the electron metal

(page 4 of original)

but that we, and none other, had developed a safe process of filling the textile cylinders\*, quite different from the methods previously used, which had left much to be desired.

Dr. Bader replied that Wintershall had approached the Army Ordnance Office with the request to be allowed to produce magnesium, and that it had been his duty to examine that request. He had thought the application to be advantageous to the Army Ordnance Office because Wintershall had been prepared to build a magnesium factory without asking the Army Ordnance Office for financial aid. Furthermore, he said, it is known that magnesium was in very short supply as had been proven by the discussions

\*Translator's note: Textile cylinders (Textilspulen, Textilhuelsen) is a code word for incendiary bombs.

(page 4 of original cont'd)

held recently at the Army Ordnance Office. Bader then explained that the site for the magnesium factory projected by Wintershall was well situated geographically. For all these reasons, Bader said, the Army Ordnance Office had, on the 11 December of last year, given the order to Wintershall and that with the knowledge and even with the approval of Colonel Loeb. I replied to Dr. Bader that I had visited Colonel Loeb on 16 January 1935, as I had already mentioned, and that Colonel Loeb had known nothing about an order for Wintershall. I stressed that we had always fulfilled our obligations for delivering magnesium/electron metal, at least until the end of December 1934, and that in January 1935 we had reached an agreement with General Kesselring to the effect that we were allowed this once to branch off certain orders from abroad which would be paid in foreign currency and to deliver the quantities of which we should thus be short to the Army Ordnance Office later. General Kesselring had stressed the importance of getting foreign currency and had fully agreed to the steps we had proposed to take. I also mentioned that I had discussed this question with Dr. Bader's Office as late as mid-January 1935, whereas the order had been given to Wintershall.

(page 5 of original)

as Dr. Bader had just told us, before that date, namely on 11 December 1934. Therefore I had to complain bitterly of the unfriendly spirit shown towards us in this matter by Dr. Bader. General Kesselring said he had to confirm my statement that I had asked him about this matter, and that he had informed me that he did not know anything about an order for magnesium; he himself had heard about this order only four days ago and had to join me in the protest against the lack of confidence and co-operation between Reich Ministry of Economy and his own staff. He mentioned that, for that reason, new regulations were in force since Saturday night to the effect that everything connected with electron metal was to be handled by the Reich Ministry of Aviation and not any more by the Office Jobenstrasse. He regretted to say that the Reich Ministry of Aviation had to take over the order given to Wintershall, but he promised that the new situation thus created would be taken into consideration when the new agreement between I.G. and the Reich Ministry of Aviation would be drawn up.

I concluded by saying I had heard that the order had been given at the price of 6.30 Reichsmark per kilogram which was an exorbitant price. Dr. Bader refused to reveal the price but said he was satisfied that the small quantity, compared to the big quantities we were producing, would do us no harm in the future either. I replied that 150 tons, if the order to Wintershall had been given for that quantity, are sufficient for the entire peace time requirements of Germany, and that I had told him so expressly and repeatedly. Dr. Bader mentioned that the MAN had approached Wintershall on their own accord in the matter of casting machines, as he had been told by one of the leading executives of Wintershall. I had to refute this statement as incorrect.

(page 6 of original)

I stressed again the point that Wintershall had received no information on our casting machines from us, but that we had definite information coming from the MAN agent concerned as well as directly from MAN, that Wintershall had asked MAN questions about casting machines and had shown themselves

TRANSLATION OF DOCUMENT No. NI-7285  
CONTINUED

(page 6 of original cont'd)

very well informed indeed on our machines; there exists, since quite a long time, an agreement between us and HMN which prohibits the sale of the casting machines designed by us to anyone else.

General Kesselring has promised me every assistance possible in the Wintershall question.

Following this argument, several current questions concerning Dural were discussed, and Dr. Bader said he had been told that we are supposed to erect a big plant for the production of Vistra fibre in Wolfen; in his opinion, however, the accumulation of factories in Wolfen and Bitterfeld was not in accord with the intentions of the Government. General Kesselring asked who the persons concerned with the negotiations were. I replied that Dr. Gajewski for I.G. and, for the other side, Dr. Keppler were the leading negotiators. I added that, as far as I knew, the profitability of the plant would have to be considered in the first place since the production of a peace-time article was planned. The prerequisites for achieving this profitability could be found in Wolfen/Bitterfeld better than at other places.

Later on, I discussed the questions of the site for Aken 2 and of magnesium deliveries to Italy with General Kesselring and Counsellor of Ministry Hoefeld.

(signed) Dr. G. Pistor

Bitterfeld, 7 February 1935.

CERTIFICATE OF TRANSLATION

28 July 1947

I, WALTER K. GALEWSKI, ETO 20145, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of the document No. NI-7285.

WALTER K. GALEWSKI, ETO 20145.



I. G. FARBEINDUSTRIE AKTIENGESellschaft

Telephone  
Stassfurt  
No. 983-84

Telegraph address:  
Sulfur  
Stassfurt

Mailing address: I.G. Farbenindustrie  
Aktiengesellschaft, Stassfurt

To Procurist FRANZ  
BITTERFELD

Your Reference: Your letter of: Our reference: STASSFURT  
(Cite in answering) 31 October 1936  
Subject: Accounting for  
installation work  
Co/RI

Dear Mr. Franz,

If I am coming to you once more with a proposal concerning the Stassfurt matter, this certainly is done for the purpose of clarifying a situation which is uncertain for all Stassfurt gentlemen but mainly in order to spare our firm a possible reproach at a later time.

I talked to Dr. SCHMID on Saturday. He, too, does not know whether the competent authorities were informed in writing that quite a long time is required for the delivery of light metal after operation of the plant has been started. If this really has not yet been done, and unless there are other obstacles I think that a letter placing the responsibility upon a competent higher authority would be in order.

As this involves a plant matter, I have transmitted a copy of the draft to Dr. SCHMID, he shall contact you once again on the subject.

With best wishes,

Devotedly yours

(signed) L. CONRAD

(Translator's Note:  
Insertion - see above-):  
F) similar to the enclosed draft

(Enclosure)

Prime Minister Goering's comments on the Four Year Plan brought the invitation to all Germans to cooperate intensively. This invitation prompts us to express once again our opinion on the following:

You know that by order of the Reich, I.G. has established at Stassfurt a plant for the production of 4,000 tons of Electron metal per year, at the cost of 20 million in round figures. It is also known that the present needs of light metal for Army purposes can be covered without the utilization of this plant so that this production establishment at Stassfurt is idle, constituting a stand-by plant (Bereitschaftswerk). Not all competent officials know, however, that the effectiveness of this operating readiness is being considerably reduced - if not even made illusory - because of the fact that after the day on which plant operation has started it takes 8 weeks for

TRANSLATION OF EXTRACTS OF DOCUMENT  
No. NI-1165 (Cont'd)

the first metal to be available. Taking this data as a basis, it is being assumed that the innovations tested in the laboratory will immediately function satisfactorily on large scale plant operation and that we have a sufficient number of skilled workers at our disposal immediately. The latter shall probably not be the case so that the interval between the start of operations and the delivery of metal will still be increased by an unknown factor. Furthermore, it is not known how much time the refining industry which further processes the metal will require to produce the finished products.

It is the purpose of this letter to point out once more this fact which if case arises might be of the greatest importance.

.....

CERTIFICATE OF TRANSLATION

I, HERTHA C. KNUTH, AGO No. X-046355, hereby certify that I am thoroughly conversant with the English and German languages; and that the above is a true and correct translation of Extracts of Document No. NI-1165.

HERTHA C. KNUTH  
AGO No. X-046355  
U.S. Civilian

( E N D )

(page 458 of original)

Eberhard NEUKIRCH

Magnesium  
the German Non-Ferrous Metal

The provisioning of the German economy with non-ferrous metal is, compared with the other tasks in the Four Year Plan, a partial field which seems to be relatively small. Since, however, non-ferrous metals constitute substances which in part are today still indispensable substances, they deserve the special attention of the economist and the technician. At present, the autonomous supplying in part still falls far behind the increased demand of the Four Year Plan.

And yet important success of once unthought significance can be recorded in this field. These securements of supply have been registered and generally recognized even beyond the circle of actual experts. If today, in connection with economic and technical considerations concerning the procurement of metal, the two metals aluminum and magnesium take first consideration in planning and constructive thinking, this fact expresses as well a change of the times as does the ever increasing use of these metals in itself. We also no longer consider it a hasty judgment that, just as there once was a bronze era and just as one designates the past century the era of steel and iron, the progress in the light metals field, which started above all after the world war, will some day give its name to this era. Fortunately, in the case of these two metals the raw materials situation is essentially more favorable for Germany than in the case of the other non-ferrous metals. Add to this fact that the use of both metals has not yet been strictly delimited, but that aluminum as well as magnesium steadily find more new uses with convincing success.

To be sure, aluminum has been known as an industrial material longer already than magnesium, but magnesium especially, in its alloy form, has in recent years gained increasing significance as an important metallic industrial material, which fact was particularly emphasized at the magnesium conferences in Berlin and Frankfurt which were combined with professional exhibitions. The fundamental statements, made by Major General LOEB on the occasion of the opening of these conferences attracted the complete interest of the technical public. Major General LOEB particularly pointed out the necessity of using magnesium, which today is completely manufactured out of German raw materials and is available in sufficient quantities, to a considerably greater extent than thus far, wherever this technical possibility exists or could be created. A comprehensive picture of the utilizability which is today already established and secured was offered by the large exhibitions and fairs, and finally, what must not be forgotten in the field of metal manufacturing also, the enlightenment by word of mouth.

(page 458 of original, cont'd)

How Magnesium became an Industrial Material.

That magnesium is a metal was first recognized by DAVY, who, as early as 1808, wanted to isolate it by electrolysis. Already in 1829, inspired by the production of aluminum with which WOEHLER succeeded in 1828, BUSSY tried to obtain magnesium metal from magnesium chloride and potassium. The experiment succeeded and with it magnesium was produced for the first time as a metal. The experiments, repeated by LIEBIG in 1830, produced, however, only a few grams of metal, which sufficed nevertheless to determine certain physical and chemical constants. The production of pure magnesium by electrolysis was then accomplished by the scientist FARADAY for the first time in 1833. This method of production was examined in more detail in 1852 by BUNSEN, who, together with his associate MATHIESSEN, demonstrated in 1856 already the method of electrolytic production of magnesium, still current today, out of his chloride melts. The electrolytic production methods gained greater significance for the production of magnesium also since application of the newly designed dynamo machine for the electrolytic production of aluminum in the year 1877. In 1866 there arose the first German plant for electrolytic production of magnesium from carnalite in a cell developed by GRAETZEL, and in 1896 the chemical factory Griesheim-Elektron took up the industrial production of magnesium by electrolysis.

If magnesium has so far been used conclusively for chemical purposes, experiments started at about the turn of the century to develop out of this interesting metal, whose specific weight is only 1.7 compared with the 2.7 of aluminum a new industrial material, which it was possible to show to the public for the first time in 1909 at the International Aeronautical Exhibition at Frankfurt on the Main in the form of alloys.



(page 459 of original)

The most authoritative work of development in this direction had been performed by G. Pieter and his collaborators. Further research and production, which had been fostered especially in Germany, led to the present-day possibility of manufacturing magnesium and its alloys at prices comparable to those of the other light metal alloys, a progress expressed by the increase of the total capacity of magnesium production, not only in Germany but in the whole world. In Germany the magnesium-producing industry is located above all in the Central-German economic area, because here there is a happy combination both of raw material situation and of the possibility of an adequate power supply.

#### DEPOSITS.

Magnesium, representing 2% of the substance of the solid crust of the earth, belongs to the most widely distributed elements. In the form of numerous minerals, particularly silicates, it is contained in almost all igneous rocks. By a more or less extensive weathering the silicates containing magnesium were isolated or transformed and thus we find magnesium also as a widely disseminated ingredient of many sedimentary and metamorphic rocks namely among the metamorphic rocks in the form of its carbonates, of which magnesite - the naturally occurring magnesium carbonate - occurs in extensive deposits in Austria. In addition to magnesite, we have in Germany extraordinarily rich deposits of dolomite, the bicarbonate of magnesium and calcium, which give us an additional almost inexhaustible supply of raw material perfectly for the production of magnesium metal and which is being utilized already to a wide extent.

By means of extensive weathering magnesium finally finds its way from the rocks to the water in the form of its easily soluble salts. Therefore we find very considerable quantities of magnesium as salt in the water of the oceans, where it ranks in quantity next to sodium. The gradual damming-in and subsequent evaporation of prehistoric parts of oceans formed the salt deposits which supply Germany with a large and valuable source of raw material for her chemical industry. Of these salts only carnallite is of particular importance today for the industrial production of magnesium metal; it is, directly as an electrolytic melt and indirectly in the form of a so-called final lye which is a by-product of its processing into potassium salt, next to dolomite the most important German raw material for the production of magnesium. The occurrence of magnesium in carnallite in Germany is estimated to run into many billions of tons of magnesium chloride.

(page 459 of original cont'd)

The processing of the carnallite into potassium salt is carried out by dissolving the salt and separating the potassium chloride. The final lye, a roughly 30% chloride of magnesium solution, which is a continuous by-product in this process, has hitherto been almost entirely drained into the rivers as an unwanted waste-product. Nowadays, however, considerable quantities of this are already being utilized for the manufacture of magnesium.

#### PRODUCTION.

The electrolysis of magnesium is a flux electrolysis which occurs above the melting point of the metal to be produced, i.e. for magnesium at temperatures of about 700 degrees. The electrolyte is a melt of the compound containing the metal to be produced, in the case of the magnesium electrolysis therefore a melt containing magnesium chloride. Since magnesium chloride quickly disintegrates in the presence of humidity, causing pollution of the electrolyte, and losses, the flux electrolysis of magnesium chloride requires the production of chloride melts containing no water. The difficulties connected with this process have occupied the minds of chemists since Bunson.

If one starts from the double salt carnallite, which is separated from the raw carnallite obtained by mining in special plants in a sufficiently high degree of purity, the portion which is unsuitable for the electrolysis for the production of potassium, its dehydration is easily accomplished by fusion: the flux electrolysis of carnallite simultaneously yields magnesium, chlorine and potassium chloride, since the electrolysis disintegrates only the magnesium chloride contained in the carnallite.

The development of other methods which do not start from carnallite but from the magnesium chloride melt, demonstrated the necessity of producing molten, de-hydrated magnesium chloride in pure form. The cheapest existing sources of magnesium chloride are the final lyes. The final lye can be easily dried by evaporation to the form of magnesium chloride dihydrate; the subsequent dehydration process for obtaining a pure de-hydrated magnesium chloride is difficult however, owing to the disintegrating propensities of the chloride, causing a pollution of the magnesium chloride by magnesium oxide.

A possibility of overcoming these difficulties consists in carrying out the further dehydration of the dihydrate in the presence of hydrochloric acid which prevents or suppresses the disintegration, respectively. The humid hydrochloric acid which is a by-product of this is dried again by using sulphuric acid or is lost, if it can already be used as waste-acid. The drying of the hydrochloric acid is difficult as far as the apparatus is concerned.

(Page 460 of original)

Only under particularly favorable conditions may this method therefore be performed on an economic basis.

A second method of producing magnesium from final lye is based on the fact that carnallite can easily be dehydrated. One therefore adds potassium chloride to the final lye during vaporization, dehydrates the double salt arising in the course of this process, and again adds the potassium chloride remained during the electrolysis to the final lye which is to be vaporized again.

Quite another method, which first of all is wholly independent of carnallite and final lye, has been found in reducing magnesite in the presence of an appropriate reduction agent to completely dehydrated, pure magnesite chloride by treating it with chlorine at high temperature in specially formed apparatuses. The magnesium chloride melt thus obtained is put into the melt electrolysis, the chlorine of the chlorination obtained in the electrolysis being used again. This method has attained special industrial significance in so far as according to it the larger part of present-day magnesite production is being manufactured. Prior to Austria's incorporation into the Reich, magnesite was not found in sufficient quantities in Germany. It may be stated with special satisfaction therefore that one had succeeded even before that to introduce dolomite, which is on hand in abundant quantities, into the manufacturing process, instead of the magnesite which is used in this method. This has been made possible because one was able to carry out the separation of the dolomite components, with simultaneous utilization of the final lye, in an economic manner.

#### Utilization

The suitability of the various magnesium alloys, their good workability, the possibility of surface protection, and finally the fields of application have been dealt with in detail in the course of official meetings, in technical periodicals, and in the book "Workstoff Magnesium" (Industrial Material Magnesium) (VDL Publishing House), and have thus become in the meantime the common property of technicians. The standards sheet DIN 1717 also gives a clear classification of the magnesium alloys in use and a standardized denomination of the various types of alloys, and points out the advantages of technical consultation and a necessary exchange of experiences.

(Page 460 of original cont'd)

New fields of application give convincing examples of the excellent workability of magnesium among other things in electrical engineering, which already has available electric motors of finish-cast magnesium. A particular advantage of the finish-cast method is the fact that magnesium, since it does not dissolve iron, does not lead to a welding of the molds. The electrical properties of these motors have already been tested and approved. If proper surface protection is given, it may certainly be expected that the magnesium electric motors are entirely suitable for any use, and conditionally even for use where considerable corrosion is involved, provided it does not assume the proportions customary in chemical plants. The motors give further evidence of the fact that the use of magnesium in the sense of the Four Year Plan also in the place of iron is practicable from an economic standpoint in the case of proper construction and adequate surface protection.

Research work, too, has not rested in the meantime. New alloys have already been developed which excel in the same strength values of the alloys that have proven their worth hitherto,

(Fig.) Magnesium die-casting die (Fuser G.m.b.H.)

Photo by Fritz CARL

(Fig.) Chip-producing machining of a magnesium forging.



(page 461 of original)

do not exhibit any tensional corrosion and in addition to that can be worked cold and have good welding properties. Examples for the use of these new alloys in the construction of vehicles are already available. In this respect the low specific weight of magnesium helps to a considerable extent to save dead weight and this also found its expression at the last international automobile exhibition. This advantage was decisive for the use of magnesium in the construction of the Hitler Youth Exhibition train. In order to achieve this we had been confronted by the task of constructing an exhibition train which, with a length of 24 meters, was not to exceed 3.80 meter in height while in motion, but which, when used for exhibition purposes, was to have two stories. This task was solved by having the upper floor overlap the lower part of the vehicle like a bell and by making it extensible in order to use it as a film projection room. The weight limits laid down by the police regulations could only be observed by choosing a first rate industrial material of smallest weight and sufficient strength as well as resistance to corrosion and good machining properties, namely the new magnesium alloy. The exhibition train covered a distance of over 5 000 kilometers and included 30 exhibitions with an attendance of approximately 10.000 visitors; owing to the choice of the material the design proved successful.

The good experiences with this exhibition train stimulated us to go one step further and led to the design of a new load speaker car which dispenses with the customary chassis used in automobiles and is equipped with a self-supporting car body of magnesium. The design resembles the one used in the construction of self propelling cars, but experiences gained in airplane construction were also used. The drawing reproduced in the figure gives a schematic representation of the design ideas. The savings obtained in weight are essential for judging this vehicle: Approximately 3 500 kg steel would have to be used if the car body were to be manufactured of a self-supporting iron construction, while only 900 kg are needed for the manufacture if the material consists of magnesium, so that thereby approximately 2 000 kg of weight can be saved. This reduction in weight results in an essential reduction of the required motor power; for while a motor power of 90/95 HP is required for the steel vehicle, the motor power required for the magnesium vehicle can be decreased to 60 HP. This advantage in turn affords a reduction of the fuel and maintenance costs, which corresponds to the ratio of the cylinder capacities of the two mentioned engines.

TRANSLATION OF DOCUMENT No. NI - 6631  
CONTINUED

(page 461 of original, cont'd)

"The reasons which hitherto were deemed necessary to advance against the introduction of magnesium alloys are known: questions of machining properties, of resistance to corrosion, of mechanical and other properties. In the present situation it stands to reason that a great amount of work is being done in these fields." The new examples of application prove that this appeal, which Major General LOEB addressed to the German engineers and the German metal economy during the magnesium conference in Berlin, has already had its first response.

(Fig.): "Schematic demonstration of the Loudspeaker car of self-supporting magnesium light metal construction." (Fig.): The H.J. (Hitler Youth) Exhibition train (Photo: German Propaganda studio (2)). Inscription on the bottom reproduction:

(Legend in Photo):  
H.J. (Hitler Youth) Train

Travelling exhibition  
- Provide Homes -

CERTIFICATE OF TRANSLATION

24 June 1947

I, Herbert RODECK, Civ.No. D 397 499 hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of the document No. NI - 6631.

Herbert RODECK,  
397 499.

- 8 -  
"END"

(page 1 of original)

Typed: Radtke.

S t a t e m e n t  
re  
the employment of Electron-Metall.

In one of my former statements I reported of the so-called "Auflagen" of "Wehrmachtstellen" and referred among others to the Bitterfeld light-metal-works as one of the places where a special activity in this direction had been developed. I said that once I had taken back from Bitterfeld the impression that the men being charged with the handling of the magnesium business had been extremely pushing to a more extensive use of Magnesium in the alloys destined for the Luftwaffe.

The introduction of the Electron-Metall as we called the special form in which we brought out magnesium into the market, had been opposed by great difficulties. The metal could only be added in a very slight percentage to the alloys mainly constituted by aluminium and the future of the Electron-Metall seemed to be very doubtful.

Curiously enough in England the use of Electron-Metall had been quicker developed as in Germany, in the London busses for instance already some years before the war Electron-Metall was employed. Thus, only the enormous expansion of the Luftwaffe offered the long expected possibility for the manufacturing of El. Metall on a large scale. And Dr. Bauer as well, who did the manufacturing as Dr. Altvicker, who had the technical operation under his management, also Ziegler who directed the advertising as well as the selling side took their chances and did all that was in their power to induce the Luftwaffe and the industry working for it to give the El. Metall the largest possible application.

Frankfurt, August 25th, 1945 (signed) G. von Schnitzler

" A CERTIFIED TRUE COPY "

-1-  
END

47

TRANSLATION OF DOCUMENT No. NI-6483  
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES

Stamp:  
SECRET!

1. This is a state secret within the meaning of article 88 of the Reich Penal Code.
2. To be transmitted only under seal; if sent by post, to be registered.
3. To be kept, at the responsibility of the addressee, under lock and key.

THE REICH MINISTER  
OF AVIATION

7 September 1938

To. Initials

and Commander-in-Chief  
of the Luftwaffe

Registered!

(Please quote in your reply  
reference number, date, and  
short summary of contents)

IC 13

Az.57 g 10 No.965/38 secret (Operations)

To  
I.G.Ferbindustria A.G.  
for the attention of Director  
Dr. LANG or his deputy

Stamp:  
Ford works  
in 10 September 1938

BITTERFELD

Re: Project IC 13 I A.

Reference: Your letter Ford Works of 29 July 1938.

You will find below a planning problem concerning  
the erection of a second milling plant for Bi IV/1-powder.

I. The Task in Hand

A second milling plant for Bi IV/1-powder is to be  
erected at Bitterfeld. It is to be planned for a monthly  
production of 75 tons of Bi IV/1-powder under the mobiliza-  
tion program. It must be expressly confirmed by you that the  
total production in the event of mobilization will amount  
to 150 tons monthly in both plants.

II. Implementation of your Plan.

In enlarging your Bitterfeld plant to the size  
necessary for the abovementioned task, all measures  
necessary to ensure the quickest possible commencement  
of production are to be taken.

You will embark upon the task immediately and will  
submit a single copy of your plan - by registered post -  
quoting the above reference, by 30 September 1938.

The applications for approval of the building plans  
are to be submitted in duplicate together with the plan  
itself. (Enclosure 2).

In drawing up your plan, you will take care to keep  
the costs of carrying out the project as low as possible.



(Page 2 of original)

III. Formula to be adopted in submitting the plan.

All documents are to be of DIN-size (German Institute for Standardization) paper and kept together in a Leitz file to be labelled):

Firm: (Exact name of the firm)  
Milling plant for Bi IV/1-powder  
September 1938.

The main sections are to be separated by indexed inter-leaves.

All documents relating to the main sections (A to E) and the sub-sections (1, 2, 3, ..... ) are to bear the appropriate symbols (A1, B1, B2.....) in the top righthand corner, below that, the date on which they were drawn up and, in the top lefthand corner, the rubber stamp of the firm.

Questions arising out of the project, if any, are to be cleared up with the expert and advisor, Dip. Ing. (Graduated Engineer) HELLAS (telephone A 2 0047, extension 1475).

IV. Contents of the plan to be submitted.

A. Index

If additional documents are submitted without our request, they are to be underlined in red in the index.

B. Basic Sheets.

- B 1. Name of the firm and of the person responsible for compilation (see example) Ms. Dr. GOTTHELU
- B 2. Hourly production capacity of each mill. Ms. 125 kg.

C. Factory lands and office staff required.

- C 1. Assessment of number of factory lands and office staff required.  
The calculation is to be based on the following data:
  - a) Two shift work, at ten hours per shift.
  - b) 25 working days per month.
  - c) 200 working hours per workman per month.

In applying these hours, industrial fatigue, sickness, interruption of work, (e.g. through air raids) decrease of production efficiency resulting from two shift work are taken into consideration.

If, for particular reasons, you consider an additional safety margin necessary, you will show for it by stating the increase in working hours thought necessary for each machine and, especially, you will give your reasons for doing so.

(Page 3 of original)

The labor requirements are to be submitted separately according to trade and sex; in so doing, the use of female labor to the greatest possible extent, for the mobilization project, is to be provided for. This must also be taken into consideration when fixing the production processes and the welfare facilities.

D. List of Machinery.

List of machinery in duplicate, specifying type of machines required and names of supplier firms.

E. Space required. (see specimen)

The storage rooms must be sufficiently spacious to take raw materials for three months' production in the event of mobilization.

F. Plan showing the location of the works in relation to its surroundings. Scale 1:10,000.

All plans are to show scale and compass points.

G. Plan of works. Scale 1:1000.

The plan is to show the dimensions of the buildings (length, width, square metres) and the distance between the larger buildings, their intended use and the direction of the flow of production (line of red arrows).

The following distinguishing markings are to be used:

red outlines for existing buildings

red broken outlines for buildings under construction

green outlines for buildings planned (not yet approved)

yellow outlines for buildings to be removed

Air Raid Shelters for the employees are to be marked with diagonal lines.

New buildings are to be constructed in accordance with the "Rules for constructional air raid or caution measures to be taken in the erection, alteration or enlargement of industrial premises."

The following are required:

clearly defined, compact lay-out of the buildings, ensuring the easy and effective guarding of the plant; straight fences, sufficient distance between fences and works buildings and, in general, everything which serves to safeguard the works and ensure production against interruptions.

Protection against fire is to be effected in accordance with the "Leaflets on Protection against fire".

The cooperation of the appropriate Advice Bureau of the Reich Group for Industry (Vertrauensstelle der Reichsgruppe Industrie)

(Page 4 of original)

is to be obtained for, and the District Air Command (Luftgaukommando) to be kept informed of the planning and execution of Works Air Raid Precautions at an early stage of planning and construction of new buildings, particularly where the provision of shelters for the employees is concerned.

H. Supply of power.

- a) Lighting and power requirements.
- b) Statement as to source of supply.

J. General estimate of costs.

The costs are to be analysed under the following headings:

- a) buildings and immovable installations,
- b) Machines and apparatus,
- c) Transportation,
- d) Miscellaneous.

K. Scheme for production and delivery.

A proposal for the commencement of production in the event of mobilization is to be made with the aim of attaining, as quickly as possible, the production figures given in section I for two shift work.

L. Schedule of iron requirements.

A schedule of iron requirements is to be submitted, in duplicate specifying the kind and quantity of material required, if possible sub-divided according to monthly requirements.

V. Special remarks.

The aim of the project is, apart from the increase of production scheduled under the mobilization program, the establishment of a second independent production plant. Importance is attached to leaving the greatest possible distance between the two factories.

The nitrogen supply is to be provided for in accordance with your proposal, in such a way that nitrogen can be fed to both plants from two different sources, so that if one oxygen installation ceases to produce, sufficient nitrogen can be supplied from the other to keep both plants going.

Independently of this, the question of whether the second plant could not be erected in another of your works under equally favorable conditions, is to be examined again.

You are requested to send in, first of all, a plan of your works at Bitterfeld, showing the location of the existing factory and of the projected one as well as the course of the nitrogen

TRANSLATION OF DOCUMENT No. NI-6483  
CONTINUED

(Page 5 of original)

pipe line feeding both plants.

By order

signed: MARQUARD

Certified correct:

Signature: HZLIAS

Enclosures:

1 copy each forms B 1, E.

1 Copy LC III Ing. No. 13600/37  
of 5 January 1937 with 5 enclosures.

9 June 1947

CERTIFICATE OF TRANSLATION

I, Beryl BESWICK, AGO No. D-427 459, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of the original document No. NI-6483.

BERYL BESWICK  
AGO No. D-427 459.



TRANSLATION OF DOCUMENT No. NI-6484  
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES

I.G. FARBEINDUSTRIE AKTIENGESellschaft

Bitterfeld, 4 October 1938

Telegrams:  
"Sulfur Bitterfeld"  
Telephone: No. 2941, 3041

Stamp:  
SECRET!

Directorate

1. This is a state secret within the meaning of article 88 of the Reich Penal Code.
2. To be transmitted only under seal; if sent by post, to be registered.
3. To be kept, at the responsibility of the addressee, under lock and key

To: Ministerialrat  
Dr. BUHL

Frankfurt a/Main

Stamp:  
Secretariat  
In: 5 October 1938

Re: Erection at North Works of a plant for the production of 100 tons of Bi IV/1 per month for the Reich Ministry of Aviation.

Dear Dr. BUHL,

We enclose a request from the Reich Ministry of Aviation, and our reply, submitting the technical figures for the projected plant.

The previous history of the matter is as follows:

Since 1934, we have been producing Bi IV/1-powder, a 50:50 alloy of magnesium and aluminium, for the subcontractors of the Reich Ministry of Aviation. We had nearly completed the delivery of an order of 824 tons when, in May of this year, an explosion occurred in the plant, causing extensive damage to the building. Because of that, the Factory Inspection Authorities objected, at first, to the resumption of work in the same place and desired the plant to be re-built on the outskirts of the original works. In the end, however, they agreed to our executing the rest of the order, approximately 50 tons of Bi IV/1-powder, at the old site, after certain safety devices had been installed.

We had previously asked the Reich Ministry of Aviation if further orders were to be expected, and had received the information that there would presumably be no further orders since stocks were sufficient. In the event of mobilization, however, far greater quantities, namely 150 tons per month, would have to be produced. We therefore proposed to the Reich Ministry of Aviation that we should

(Page 2 of original)

complete the order at the old plant and that the Ministry should decide, in the meantime, whether it wanted a new plant to be erected for the mobilization project. If so, the costs could under no circumstances be borne by I.G. since it would merely be a matter of a stand-by plant. The officials of the Reich Ministry of Aviation, Major KARL and HELIAS, agreed to this in principle.

(Page 2 of original, cont'd)

On the 7 September 1938, we received the request mentioned above to submit the plans and documents for this stand-by plant. For the purposes of the mobilization project, our old plant can be kept running together with the new one, since, in such a case the dangers from outside are considerably greater than the dangers inherent in the manufacturing process. 50 tons per month of the required total of 150 tons per month would consequently be produced in the old plant and 100 tons in the new plant.

The costs of the stand-by plant amount to approximately 500,000,- Reichsmarks.

We formerly advanced the costs of the plant erected in 1934, included them in the price of goods delivered in 1934 and 1935 and thus recovered them.

The building plot with an area of 4000 square metres required for the plant to be erected is available at our Hord works. The question now is whether an agreement about this plant should be reached with the Reich Ministry of Aviation on the same principles as those laid down in the Skolsten Agreement and in the Supplementary Contract (your draft of 7 September 1938) for the Diglycol Plant, Wolfen. It would also be necessary to conclude a hereditary Building Rights Contract for the land on the same lines as for the Diglycol Plant.

The possibility of starting temporary production in this stand-by plant cannot be excluded in case the now existing plant should be unable to continue production for any reason, for example, a prohibition issued by the Factory Inspection authorities. In such an eventuality, the provisions laid down under Nos II, III, a, b and c of your draft contract of 7 September 1938 for the Diglycol Plant would have to be considered.

(Page 3 of original)

It is stated in article 8 No. 5 of the Diglycol Skolsten Agreement:

"All payments by the Army High Command shall be made in accordance with appendix No. 2 of the Contract".

At the conclusion of the contract this clause was understood to refer to the Six-Month Bills procedure (Kaufwechsel-Verfahren). Approximately 95 % of the WOLFEL Plant was paid for in Six-Month Bills and 5 % in Treasury Supply Certificates (Lieferungsschatzansweisungen) after the former method of payments had been replaced by the latter.

Gehheimrat SCHMITZ stated at one of the last I.G. meetings that he would not agree in future to the method of payment in Treasury Supply Certificates for such plants but, rather, would insist on cash payments in advance. Will you kindly allow for this change in the situation when drawing up the contract.

TRANSLATION OF DOCUMENT No. NI-6484  
CONTINUED

(Page 3 of original, cont'd)

We should be very much obliged to you if you would have a draft contract for the erection of this plant drawn up, based on these provisions. It would be most convenient for a discussion, which will probably prove necessary, to take place in Berlin. We should be grateful if you would fix a suitable date for it.

Heil Hitler!

I.G. FARBEINDUSTRIE AKTIEGESELLSCHAFT  
Signature: BUERGEL      Signature: LANG.

9 June 1947

CERTIFICATE OF TRANSLATION

I, Beryl BESWICK, AGO No.D-427 459, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of the original document No. NI-6484.

BERYL BESWICK  
AGO No.D-427 459.

(Page 1 of the original)

Ffm.-Griesheim, 29 July 1947.

A F F I D A V I T

I, Karl v. Weider, titular director of I.G. Farben-  
industrie Aktiengesellschaft from 1934 to 1945, residing  
at Frankfurt a.m., Grillparzerstrasse 83, after having  
been warned that I will be liable to punishment for mak-  
ing false statements, state herewith that the following  
report titled "Tonnage guarantees granted to I.G. Farben-  
industrie Aktiengesellschaft by the German Government  
or its agencies from 1933 to 1945" has been prepared by  
me from the official files of I.G., and that all the  
facts, names, dates and figures included therein are  
correct to the best of my knowledge. I have given this  
information of my own free will and without coercion.

Introductory Note:

Contracts by which the buyer guarantees to buy a  
fixed tonnages over a period of some or many years are  
usual in trade wherever a commodity, has no sufficient  
market except if the buyer's requirements are included.  
Obviously that is the case for products used only or  
mainly for war purposes as the Government is the only or  
the main buyer. In products asked for by the Government  
I.G. had the policy to run a sound commercial risk  
wherever such a product might also be used for peace  
consumption, and to erect the manufacturing plants on  
I.G.'s own expenses as far as no extraordinary costs due  
to war conditions were involved. Such extraordinary costs  
were charged to the Government by special agreements  
containing a clause that reimbursement of such costs  
ought not be regarded as governmental subsidizing of I.G.



(Page 1 of the original cont'd)

As far as no peaceful consumption was to be anticipated I.G. declined any financing of plants and made agreements by which I.G. was to construct and build the plant at the expense of the Government, and was to operate such a governmental plant on terms practically affording I.G. no, or a very restricted, profit. In such cases contracts guaranteeing a sales tonnage were obviously not needed as the Government was plant owner and last buyer simultaneously.

- - -

The following report comprises only the main products supplied, directly or indirectly, to the Armed Forces, i.e., synthetic rubber, light metals (magnesium, aluminum) and their alloys, gasoline, diglycol, acetophenone, stabilizers, high octane gasoline, lubricant oils, and is based on the contracts available in the Legal Department Chemicals.

For these products the Reich or its agencies were found to have been guaranteeing a stipulated sales tonnage in the following cases:

es. Karl v. Heider,

(Page 2 of the original)

Magnesium.

Aken Contract of 13/14 June 1934 made between the German Government represented by the Reichswehrminister and I.G. (no Frankfurt and Ludwigshafen maincard numbers).

Par. 4(1): I.G. warrants to the Government to manufacture from the new plants 5,200 tons Hydro-nalium 2 before 1 November 1935 and to deliver them ordered in equal monthly rates to the Government or any agency or company named by the Government according to supply contracts still to be made .....

(Page 2 of the original cont'd)

The Government warrants to orderly take over such quantities in equal monthly rates and to pay the amounts stipulated in Par. 5 within a month after the date of invoice.

Par. 4(3): Furthermore, in case the Government is not prevented by the political situation or force majeure to do so the Government warrants to give or to cause to give orders of the same size according to the principles laid down in this Contract for the following three years, i.e. from 1 November 1935 to 31 October 1938. I.G. engaged to carry out accordingly the orders resulting from these pledges.

Aken Contract of 23 June 1936 made between Der Reichsminister der Luftfahrt and I.G. (no Frankfurt and Ludwigshafen maincard numbers):

This Contract contains no proper tonnage guarantee but it indirectly safeguards the sales of I.G.'s old magnesium plants by the following clause:

I (the Reichsminister der Luftfahrt) acknowledge that said plants were built on my initiative and for my special purposes in order to cover specific additional requirements, and that in distributing the orders of the Armed Forces to I.G.'s various Hydroxalium plants the economic interests of your Witterfeld parent plants are to be taken into consideration as far as the interests of Germany's defence don't call for a special regulation.

(By the same contract the Reichsminister der Luftfahrt undertook to pay normal depreciation rates and normal interests for the plant in case that the plant should

(Page 2 of the original cont'd)

not, or not fully, be in operation for governmental and non-governmental orders.)

Synthetic Rubber (Luna).

In the Contract concerning the erection of the Luna plant at Schkopau made between I.G. and the German Government (represented by Ministerpraesident Generaloberst Goering as Beauftragter fuer den Vierjahresplan, the Reich and Prussian Minister of Economy and the Reich Minister of Finance) on 16 August/20 September 1937 the following sales guarantee is contained:

Prof. Karl v. Heider

(Page 3 of the original)

Par. 9 Sales Guarantee. The Government guarantees the sale of the tonnage manufactured by the Luna-works G.m.b.H. during the period of the Contract up to an annual quantity of 24,000 tons Luna and undertakes as far as necessary to ease the sale by suitable measures. Should the Luna plant, of necessity by making supplements to the plant in a moderate ratio to their efficiency, yield more than 24,000 tons annually, the said guarantee of the Government will include the excess production as far as it is not exceeding 6,000 tons per year.

This sales guarantee was cancelled by I.G.'s initiative later on, probably by the new Loan Agreement of 21 June / 8/25 July 1940 (this agreement is actually not available as being handed over to OGCWC Nuremberg).

Synthetic Gasoline.

By an Agreement of 14 December 1933 made between the Reich Ministry of Economics (signed by Dr. Feder), the Reich Ministry of Finance (signed by v. Krosigk) and

(Page 3 of the original cont'd)

Ammoniakwerk Merseburg A.G., Leuna, (signed by Bosch and Schmitz) concerning "synthetisches Benzin" Leuna undertook to increase its plant to such an extent that it was able to supply for the period of 1 July 1934 to 31 December 1934 80,000 tons, for the period of 1 January 1935 to 31 December 1935 not less than 300,000 and not more than 350,000 tons synthetic gasoline.

The Reich warranted the sale of the stipulated tonnage at a guaranteed price for ten years, i.e. up to 30 June 1944. This guaranteed price amounted to 25 RM. ex works in tank cars subject to alteration by mutual consent.

I have carefully read these three pages of the affidavit, and declare under oath that I have given the whole truth and withhold nothing in this affidavit to the best of my knowledge and conscience.

gez. Karl v. Heider  
(Karl v. Heider)

Sworn to and signed before me this 30th day of July 1947 at Frankfurt a.M., Germany by Mr. Karl v. Heider known to me to be the person making the above affidavit.

gez. Fred M. Opel  
Fred M. Opel  
U.S. Civilian  
AGO NO. 1-441688  
OFFICE CHIEF OF BUREAU FOR WAR CRIMES  
U.S. War Department

"A CERTIFIED TRUE COPY"

- 5 -  
E F D

60



AFFIDAVIT

I, Dr. ERNST STRUSS, Director of I.G. Farben, Chief of the TEA Bureau of I.G., Secretary of the Technical Committee of the Vorstand of I.G., Manager of Division II (Sparte II) of the Vermittlungsstelle V. and, since 1943, Production Manager of the entire German dyestuffs industry within the framework of the Economic Group Chemical Industry, after having first been warned that I will be liable for punishment for making a false statement state herewith under oath, of my own free will and without coercion, the following: -

In 1930 the Magnesium production of I.G. Farben amounted to 600 tons. In 1942 the production was 25,100 tons. Farben had thus increased its magnesium production by over 4,000 per cent.

Farben's share in the aluminium production in 1930 was 1,750 tons and in 1942 it was 24,000 tons. The increase in Farben's aluminium production was therefore just over 1,300 per cent.

I have carefully read the one page of this declaration and have signed it personally. I have made the necessary corrections in my own handwriting and initialed them and I declare herewith under oath that I have given the pure truth to the best of my knowledge and conscience.

signed Dr. Ernst A. Struss  
DR. ERNST STRUSS

-----  
TRANSLATION OF DOCUMENT NO. NI-7240  
CONTINUED  
-----

Sworn to and signed before me this 20 day of June 1947 at  
Frankfurt Main by Dr. Ernst STRUSS known to me to be the  
person making the above affidavit.

signed: Otto Heilbrunn

DR. OTTO HEILBRUNN  
Civilian, ETO 30140  
Office of Chief of Counsel  
for War Crimes  
U.S. War Department.

Confidential

Subject: Aluminum in Norway.

Following on the discussions which were held at Professor Krauch's on 11 October 1940 and which were recorded in the memorandum of 14 October, Director v.d.Bey and the undersigned discussed with Dr. Henkrich in Berlin on 16 October 1940 the details relating to the plan for the expansion of the production of aluminum and alumina in Norway. According to the plan, production is to be brought up to 120,000 tons of aluminum per year. In the meantime Dr. Koppenborg is said to have suggested already the figure of 150,000 tons per year.

The Reich Office for Economic Expansion (Reichsstelle fuer Wirtschaftsausbau) has made provision for three phases of development:

Phase 1) Expansion of existing installations:

a) In Tyssedal and at other small works  
an increase of 3,500 tons p.a.  
is possible without any great difficulties.

b) Glomfjordi (Haugvik) is to have its production of 9 000 tons increased by 23,000 " "  
bringing it up to 32,000 tons of  
aluminum per annum. (With this increase  
the available supplies of power will be  
utilized to the full).

During the 1st phase, therefore, there  
shall be an increase of 26,500 tons p.a.  
of aluminum.

As regards alumina, during the 1st phase 80,000 tons of  $Al_2O_3$  shall be produced yearly at Sauda according to the Pedersen procedure based on bauxite. It is planned that for this production use shall be made as far as possible of the existent furnaces for ferro-alloys, namely:

|                                    |   |   |   |   |   |
|------------------------------------|---|---|---|---|---|
| 9 furnaces of 4 000 kilowatts each |   |   |   |   |   |
| 1 " " 3 000                        | " | " | " | " | " |
| 1 " " 3 000                        | " | " | " | " | " |

(the last named has Soederberg electrodes).

73 000 kilowatts are installed at Sauda at present. After an expansion of the auxiliary plants it will be possible to increase this power-supply to 110 000 KW.

During the 1st phase, also, the production of alumina at Herøen is to be increased to 25 000 tons annually by Norsk Hydro, on a basis of labradorite, this procedure having been developed by Norsk Hydro. The disintegration of labradorite takes place with the help of 45% of nitric acid at a temperature of 60 degrees. The calcium aluminum nitrate is filtered from the silicic acid and precipitated

EXCERPT OF TRANSLATION OF DOCUMENT NI-9033  
CONT'D.

with limestone.

(page 2 of original)

A basic aluminum carbonate is obtained which still contains iron and calcium. This is termed black mud (Schwarzschlamm) and when treated with a dilute caustic soda solution (5%) gives sodium aluminate from which alumina is precipitated by the usual process of stirring. The soda is made basic again with limestone and recycled.

The quantities of cryolite and coke which are required during the 1st phase for the annual increase of 25,500 tons of aluminum must also be built up. Coke is to be procured from Germany, and cryolite may be obtained in Norway as river spar is available there.

Phase 2. For these purposes, use will be made of the Tyin water power for the development of which great preparations have been made. 15,000 tons of iron in all are still lacking. This power station will give 90,000 Kilowatt of constant current and belongs to Horsk Hydro, but has already been seized for aluminum. Very favorable sites for plants are available at Ardal and Farness. The production of

25,000 tons of aluminum,  
and 50,000 tons of alumina (by the Pederson procedure on a bauxite basis)  
is planned there.

The power consumption is mapped at

62,000 kw for aluminum, and  
28,000 " " alumina.

An additional 10,000 tons a year of alumina are to be produced at Høyen on a basis of labradorite during the second phase. It is planned to carry out this production by way of a smelting process which consists of two phases.

Ferro-silicate is produced in phase I by the acid process, and in phase II the basic process (basisches Verfahren) yields calcium aluminate slag.

which is treated with a caustic soda solution in the customary way. It is estimated that for the second phase of production 25,000 tons of coke are required, to be supplied by Germany, and one must count on a consumption of 2,000 tons of cryolite.

Phase 3. It is planned to carry out phase 3 at Osa, to the North East of Tyssedal. The hydraulic power there is said to be similar to that in Tyin and is to be bought by the Norwegian state; but closer investigations must be made.



EXCERPT OF TRANSLATION OF DOCUMENT NI-8033  
CONT'D.

(page 3 of original)

The production of

25,000 tons aluminum, and  
50,000 tons alumina (on a bauxite basis)

is planned here.

An additional 25,000 tons of alumina are planned for this phase at Herden.

Apart from Osa, the hydraulic power in Bieroja and Wjk may be taken into consideration, and could be used for the production of an additional 10,000 tons of aluminum.

Phase 4. If the Koppenberg plan is carried out, an additional 25-30,000 tons of aluminum could be produced in phase 4. The plant would probably be located at Osa.

As regards the time schedule of these projects, plans are laid for the immediate beginning, as far as possible, of phases 1 and 2, whilst phase 3, however, is only to be developed when the German programs have been completed.

Needs in money, materials, and labor are estimated as follows:

|                | <u>Capital:</u>          | <u>Iron:</u> | <u>Labor:</u> |
|----------------|--------------------------|--------------|---------------|
| <u>Phase 1</u> | 88 million RM            | 65,000 tons  | 6,000         |
| <u>Phase 2</u> | 90 " "                   | 69,000 "     | 6,000         |
| <u>Phase 3</u> | 120 " "<br>approximately | 85,000 "     | 8,000         |

Therefore a capital of 300 million RM in all will be necessary.

Professor Dr. Krauch requests Farben's comments on the subject of a participation in this development and awaits proposals from us regarding the structure of a new company in which Farben can have a controlling interest.

(page 4 of original)

As we heard from Herr Simmat, the manager of the Mineral Oil Development Company (Mineraloel-Baugesellschaft), as well as from Dr. Neukirch later on, the Reich Marshal has already approved of the Koppenberg plan for the expansion of the aluminum industry, when General Udet submitted the plan to him, and added a note in his own handwriting to the effect that the plan should be carried out as soon as possible. The RLM (Reichsluftfahrtministerium - Reich Air Ministry) has already offered the financial means for the work to be begun without however making any provisions for the future.

EXCERPT OF TRANSLATION OF DOC. NI- 8033  
CONT'D.

Koppenberg, together with Simmat, will be in Norway again in the next few days in order to study and discuss the possibilities of developing the sources of power there.

As the undersigned heard from Director Meyer-Kuester, Herr Dithmer of the "Gesellschaft fuer Elektrometallurgie" was invited by Herr Koppenberg to inspect the ferro-silicate furnaces at Sauda in order to give his opinion about adapting them for alumina.

As is evident from the memorandum on the conference of 11th inst., the Reich Institute for Research (RFW), Professor Krauch and Herr Koppenberg are extremely anxious for I.G. Farben to take over the technical cooperation in connection with the execution of the program. Professor Krauch thinks that this is a unique opportunity in I.G. Farben's aluminum field.

(signed): H o s c h e l .

19 October 1940.  
Dr. Jfo/Hel.

CERTIFICATE OF TRANSLATION.

I, DOROTHY E. PLUMMER, USFET 482, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of Document No. NI - 8033.

6 September 1947

DOROTHY E. PLUMMER  
USFET 482.

( E N D )

TRANSLATION OF DOCUMENT No. NI - 8034  
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES

I.G. FARBENINDUSTRIE AKTIENGESELLSCHAFT, BITTERFELD

23 October 1940

Geheimrat Dr. Herm. SCHMITZ

Berlin - NW 7, Unter den Linden 82

Direktor Dr. F. ter MEER  
Frankfort on Main 20, Grueneburgplatz

Direktor E. WEBER - Andreas  
Frankfort on Main 20, Grueneburgplatz

Strictly confidential  
Registered.

(Stamp):

Office of  
illegible Dr. BUHL  
28 Oct. 1940  
answered:

Subject: Aluminum/Norway

Gentlemen,

(initial) The Reich Marshal has empowered General UDET to draw on  
B occupied territories for assistance in securing the German aluminum  
(transl.'s supply and General UDET, in turn, has delegated his authority to  
note: Director-General Dr. KOPPENBERG. Pursuant to this task Dr. KOPPEN-  
Burgin's BERG has now suggested an extensive development of the Norwegian  
initial) aluminum production, a suggestion which has already been approved  
by the Reich Marshal and an order issued to carry it into effect as  
urgent. Accordingly, Norwegian aluminum production, which today  
amounts to about 40,000 tons per year, is to be increased to  
120,000 tons per year, later on to 150,000 tons per year, and the  
power and alumina facilities required are to be constructed.  
For the accomplishment of this task, Dr. KOPPENBERG has contacted  
Prof. Dr. KRAUCH and has put him in charge of the technical  
aspects of the development. The Mineral Oil Construction Company  
(Manager: Director SIEBERT) is to be the construction company. Prof.  
KRAUCH as well as Dr. KOPPENBERG attach importance to I.G.'s con-  
sent for its technical co-operation. It has not yet been determin-  
ed in detail, what the phases of the building project are going  
to be. A first proposal made by the specialist on KRAUCH's staff  
is outlined in the enclosed file note. According to rough estimates  
on hand, the financing of the whole project, including electric  
power and alumina, will require about 300 Million RM.

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(Page 2 of original)

I.G. FARBENINDUSTRIE AKTIENGESellschaft, BITTERFELD

23 October 1940  
sheet 2

It is being considered to found a new company for this development. Professor KRAUCH requests I.G. to reveal its intention as to the extent and the type of its participation in this project; there is an opportunity here for a participation of preponderant importance, embracing technical leadership for I.G. Dr. KOPPENBERG too, is said to have agreed to that. A participation by the VAW (Associated Aluminum Works) which would go beyond that is not desired, it appears. For I.G. this means an opportunity to gain a decisive influence on the European aluminum production. As the cost of Norwegian water power is so favorable there can be no doubt but that aluminum production in Norway is economically more reasonable than present production in Germany. The development of water power being a concomitant requirement in the development of the aluminum industry - with the former being brought under the influence of the consuming industry and not being harnessed for service as public utility - this opens up for I.G. entirely new possibilities for all products in whose manufacture electric power is a decisive cost factor.

Decisive participation by I.G. in the aluminum development may become the key factor in I.G. control of these water works. This step would be of far-reaching import on the development of the whole light metal industry field of I.G. in which, by reason of its pioneer work and financial sacrifices I.G. is entitled to play a leading role.

We do not know the extent to which other firms have already shown an interest in this project; however, we consider it quite possible that the Hermann GOERING Works for instance, will enter the picture if I.G. does not take the opportunity offered now. If that happens, still another large firm would enter the field of the light-metal industry.

We would once again live through the same situation as it existed after the world war: Griesheim and the Metallgesellschaft had built up the whole German aluminum industry before, and especially during, the world war. As a result of the tendency toward socialization, the Leutawerk, the largest foundry, fell to the state and the combine had to restrict itself to a production of 20% of the aluminum. If another state-owned

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(Page 3 of original)

I.G. FARBEINDUSTRIE AKTIENGESELLSCHAFT, BITTERFELD

23 October 1940  
sheet 3

firm enters this field, our share would be still more reduced. This firm would also be sure to enter the field of magnesium as a result of which the fruitage of our technical and scientific endeavors for the future would become scant.

In view of the significance of the entire light-metal field, not merely for war but more particularly for peace development, and considering the fact that the production does not have to compete with natural products, as is the case with rubber and oil, for example, we believe that, similarly to what Griesheim already did at an earlier date, I.G. should declare this field fully and entirely its zone of interest and to decide for participation on a leading scale.

\*for According to the contract with the Metallgesellschaft we are obliged to act as a combine as regards aluminum production. In this case, a special order has been submitted to I.G., as such. Considering Metallgesellschaft's power from the point of view of finances she will be unable to take a 50% participation in this object. However, the processing phase we are strongly interested in having the Metallgesellschaft included in the form of arrangements for the processing field, coupled with the financial help of I.G.. Considering Metallgesellschaft's strength from a processing angle the present state of free competition will anyhow make it advisable to arrive at useful agreements.

From the viewpoint of aluminum production it appears advisable also to include Hauhausen in the new enterprise, thus bringing the second-largest European aluminum producer into closer co-operation with us. However, the first requirement would be to examine what position our official agencies take as regards a possible participation by Hauhausen.

Furthermore, a participation by Norsk Hydro should be considered since this would considerably facilitate and strengthen the position of the new enterprise in Norway.

TRANSLATION OF DOCUMENT No. NI- 8034  
CONTINUED

(Page 4 of original)

I.G. FARBENINDUSTRIE AKTIENGESellschaft, BITTERFELD

23 October 1940  
sheet 4

As regards financial participation, the following line-up might be recommended, for instance:

|                    |      |  |
|--------------------|------|--|
| I.G.               | 55 % |  |
| Metallgesellschaft | 15 % |  |
| Neuhausen          | 20 % |  |
| Norsk Hydro        | 10 % |  |

Should Junkers also desire participation this would have to be subtracted from the shares of I.G. and Neuhausen.

Since this matter is very urgent, we suggest that you make it the topic of a conference as soon as possible.

With German Salutation

- Appendix -

I.G. FARBENINDUSTRIE AKTIENGESellschaft

signed: BUERGIN (illegible)

Copy

CERTIFICATE OF TRANSLATION

11 July 1947

I, Herta KNUTH, Civ.No. AGO X 0 46 355, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of the document No. NI - 8034.

Herta KNUTH,  
046.355.

- 4 -  
"END"

70

Berlin, 7 February 1941.

Dr. M-W/Ed.

C o n f e r e n c e

held in the Reich Air Ministry at 16.00 hours  
on 6 February 1941, concerning the Light Metal  
Factory (Leichtmetall-Fabrik) in Heröen.

The following were present:

Ministerialdirektor Cejka           )  
General-Ingenieur Tschersich       ) Reich Air Ministry  
Regierungsrat Schreiber            )

Dr. Koppenberg

Dr. Neukirch                               Reich Office for  
Economic Development

Haefliger                                )  
Dr. Moschel                             ) Farben  
Dr. Mayer-Wegelin                     )

Dr. Koppenberg submits the manufacturing plan for  
Heröen:

6 - 12,000 tons magnesium yearly  
10 - 15,000 tons aluminum yearly  
25,000 tons argillaceous earth yearly  
3,000 tons cryolite yearly

The Heröen site and co-operation with Norsk Hydro were  
desirable, as current was available there until the completion  
of the water power scheme in Mär, although nitrogen production  
might have to be cut down.

Haefliger explained why Norsk Hydro was to receive a  
considerable share in this factory: she was transferring the  
very valuable expansion site of her factory in Heröen for the  
new factory, which meant that she must give up other possible  
plans for expansion in Heröen. She must therefore be given a  
substantial interest, so that she would support the new factory  
to be erected with every means at her disposal.

Cejka asserted, in opposition to this, that it was  
absolutely necessary for the Reich Air Ministry, as general  
purchaser, to have a share. A participation of 20%, however,

was out of the question. At one point he even mentioned a

(Page 2 of original)

demand for 51%; but this was rejected. He justified his claim for participation by stating that official participation by the Reich would facilitate the execution and promotion of their plans as far as the local government authorities were concerned. In the end he again referred to the proposal to allocate the shares in the new factory at Herøen to the Reich, Farben and Norsk Hydro in the proportion of one-third to each. For its plans in Norway, the Reich would build up the Nordag, which had already been established in Berlin, as a Holding Company, which would represent the Reich participation in the four Norwegian companies to be established. This proposal was finally accepted after Herr Cajka and Herr Tschersich had given the following assurances:

- 1.) that the Metallgesellschaft will be offered a suitable participation in another aluminum factory in Norway as compensation for the fact that, in spite of the existing earlier contracts with Farben, the Metallgesellschaft will not receive an interest in the aluminum factory in Herøen.
- 2.) that the Norsk Hydro will be offered compensation for its insignificant participation in Herøen in the form of suitable participation in a nitrogen factory to be erected in another part of Norway.
- 3.) that the Reich is prepared to assign its interest as soon as the necessary cover is assured.
- 4.) that the Reich Air Ministry will grant temporary credit to Farben for the first financing measures.

Dr. Koppenberg concluded with a few words of special praise for Farben's achievements hitherto in the field of armament production, and especially for the promptitude and speed with which Farben had always acted and constructed, without waiting for contracts to be signed. For this reason he would also call upon Farben to the fullest extent in carrying out the Norwegian plans and would entrust Dr. Boschel in particular with responsible tasks.



Cejka and Tschersich also expressed their recognition of Farbon's outstanding achievements many times in the course of the meeting.

CERTIFICATE OF TRANSLATION

I, Mona A.M. Macleod, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of the Document No. NI-3144.

Mona A.M. Macleod  
M.E.P. 38347  
U.S. War Department

9th July 1947

-END-

TRANSLATION OF DOCUMENT No. NI-8827  
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES

The General Plenipotentiary for the  
Four Years' Plan  
The General Plenipotentiary  
for special questions of chemical  
production

12 April 1943

314

Distribution:

Prof. Krauch  
General Field Marshall Milch  
General v.d. Heyde  
President Kehrl  
Dr. Westrick

L-Met/Dr.Hk/Lao-Az.177  
2407/43g Az/232/248.  
Your letter RL/ABR/I/245/43g dated 25 March 1943  
Aluminum-Planning / Aluminum Herßen.

State Councillor Dr. Schieber  
Reich Ministry for Armament and Munition

Berlin SW 68  
Friedrichstr. 34-37

Dear Dr. Schieber !

With my letter dated 16 March 1943 I did not yet wish to submit any proposal to the Central Planning but only to acquaint the participating offices once more with my views, on which I believed to have reached an agreement with you in our conversation of 25 February 1943 and the following correspondence of 11 March and 16 March 1943. This agreement probably does exist essentially on all points with the exception of the case Aluminum Herßen. In the conversation of 25 February 1943 (cf. the protocol submitted to you) it was discussed that Herßen will be fully executed including Aluminum, at least as a reserve plant. Since the operation of Aluminum Herßen is suitable to alleviate the inner Norwegian transport by the elimination of alumina transports, I was supported in my views by the declaration of Director Path of the Reichskommissar for Navigation with respect to the building project which, incidentally, was to follow on the completion of Magnesium and Alumina Herßen. While I did not make any proposals in my letter with reference to the rest of the Norway program but referred to the conversation in the Air Ministry, my reference to Herßen appears to be justified since the builder, Nordisk Lettmetall, has not been invited for the discussion in Berlin by the Light Metal Ring (Leichtmetallring). In order to elucidate my view may I again

(page 2 of original)

summarize as follows:

In the building Project Aluminum Herßen there exists an enclosed space for approx. 9,200 tons of aluminum per year in buildings 23 and 23a. 42 baths have been mounted in building 23 except for

TRANSLATION OF DOCUMENT No. NI-8827  
CONTINUED

(page 2 of original, cont'd)

the shifting of current rails (Stromschienen). For 48 baths there is still required construction work for the foundations in the value of 405,000 Norwegian Crowns. In building 23a the foundations for 26 baths have to be raised and the exhaust gas flue has to be completed with a still required cost of 210,000 Norwegian Crowns. 75 tons of structural steel are still required. All the iron for apparatuses, including the complete Rectifier Plant, is on the building site. With these 615,000 Norwegian Crowns for construction purposes and 75 tons structural steel a substitute electrolytic aluminum plant for 9,200 tons per year can be constructed in a 7 months' assembly period, in which, if the need arises, provisional production can be started, where the exhaust gases can be blown into the air across the roof without the chimney, which will not be ready by then. In order to complete the entire plant with 12,000 tons per year aluminum, including the chimney and foundry, an additional 350 tons of structural steel and 3.125 million Norwegian Crowns are required. The iron for apparatuses for this is partly on the building site, partly (about 2,500 to 3,000 tons) ready for shipment at Bremen. The building and assembly period for the total completion of the building project has to be assessed at 11 months and can easily be carried out after completion of the building projects Magnesium and Alumina Herßen until the completion of Maar.

The operation of the aluminum electrolysis in Herßen is possible as regards power after completion of the power station Maar without restricting the other existing capacities in Herßen. Even without the construction of the alumina factory Martinswerk or Pottau II the alumina requirements of the aluminum electrolysis Herßen have been made secure as regards the balance sheet. Considering the relatively small investments in my opinion the Aluminium foundry should also be completed following the completion of the Magnesium and the alumina factory Herßen, in order to utilize in this manner the material and labor already invested. Besides, I am with this proposal in agreement with the Reich Air Ministry (cf. file note to be submitted to Secretary of State Az.66a 3101 (IRo I) secret of 19 March 1943, page 3).

Heil Hitler !

Yours faithfully,

signed Dr. Krauch

CERTIFICATE OF TRANSLATION

9 July 1947

I, Herbert RODECK, No. B 397944, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of the document No. NI-8827.

Herbert RODECK  
No. B 397944

between the German Reich - Reich Treasury (Aviation) - represented by the Reich Minister for Air and Supreme Commander of the Luftwaffe - hereinafter referred to, in short as "Reich" - and the Firm I.G. Farbenindustrie A.G., Bitterfeld, represented by their Vorstand,

- hereinafter referred to, in short, as the "Firm" - the following

Contract  
was concluded:

I.

1.) The Firm shall construct, on the instructions of the Reich, a plant in Moosbierbaum for the production of magnesium. The total investments are estimated at 121,010,000.- RM. The Reich has approved the construction of the plant in their letter dated 29 December 1943 - Planning Office G4/A Pl. 3 IV. The plant is to start production in 1945.

2.) The financing of the new investments is ensured by  
own means ..... 43,010,000.- RM.  
Credit granted by the Bank der Deutschen Luftfahrt A.G.  
(German Aviation Bank A.G.)... 48,000,000.- RM.  
The Reich is prepared to grant the firm once only, a public subsidy,  
of a sum amounting to ..... 30,000,000.- RM.  
The final amount of the subsidy will be fixed after the final settlement of the project.

3.) The subsidy may be drawn on, within the limits of money requirements, the right to investigate which the Reich reserves, after the 43,010,000.- RM. of the firm's own capital and the credit with the Bank der Deutschen Luftfahrt A.G. has been utilized.

II.

The firm is bound to the following reciprocal commitments:

1.) The new plant is always to be available, ready for use and priority shall be given to the execution of Aviation orders.

(page 2 of original)

The approval of the Reich for carrying out other orders in the plant can, however, generally be given with the proviso that the Firm, when carrying out the other orders, shall write them off completely or at least to the same amount as for the orders for the Reich, and that the capacity demanded by the Reich is not in any way impaired.

The obligations according to paragraph 1, point 1, will still remain in effect, after the plants have been written off completely.

2.) The sale of real estate, all sales of buildings, plants and installations which serve the production of aviation equipment, require the approval of the Reich.

In so far as the sale of plants and installations does not exceed the sum of 50,000 RM yearly, approval will be given, with the proviso that



TRANSLATION OF DOCUMENT No. NI-6140  
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(Page 2 of original cont'd)

the capacity required by the Reich is not impaired thereby.

3.) The subsidy is to be used with the approval of the Reich (Department for Commercial Economy and Price Control Gl/F 2) for special depreciations on the new plants, in particular on plants which, according to economic principles would not be converted into liquid assets.

4.) The final depreciation amounts will be calculated from the cost values which are not after the special depreciations (I figure 2, II figure 3) have been written off.

In so far as fixed prices have been agreed on, the special depreciation, by virtue of the subsidy are to be allowed for at the next price examination.

5.) The Firm shall grant the Reich and the Supreme Auditing Court of the German Reich, the rights of examination laid down in Article 45 c paragraph 3 of the Reich Budget Regulations (Reichshaushaltsordnung) and declares itself in agreement with the examination by the Reich or its representatives.

(page 3 of original)

The obligations under figure II shall be terminated as soon as the Reich armament policy requirements permit.

III.

The costs of this contract shall be born by the Firm.

|                                     |                           |
|-------------------------------------|---------------------------|
| Berlin, 27 May 1944                 | Bitterfeld, 2 May 1944    |
| the Reich Minister for Aviation     | I.G. Farbenindustrie A.G. |
| and Supreme Commander of the        | (signature)               |
| Luftwaffe.                          | Burgin Haefliger.         |
| Acting for                          |                           |
| The Secretary of State              |                           |
| The Head of the Industrial Economic |                           |
| Office.                             |                           |
| (signature)                         |                           |
| Ministerial Director                |                           |
| (stamp) The Reich Minister for      |                           |
| Aviation and Supreme Commander      |                           |
| of the Luftwaffe                    |                           |
| No. 120.                            |                           |

CERTIFICATE OF TRANSLATION

3 June 1947

I, JOHN FOSBERY, Civ. No. 20179, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of document No. NI-6140.

.....  
JOHN FOSBERY, Civ. No. 20179.

OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES  
TRANSLATION OF EXCERPTS FROM DOCUMENT  
..... NI-7562

(page 2 of document)

The Commissioner for the Four Year Plan  
The General Plenipotentiary for Special Questions of  
Chemical Production

DR. EDWARD WEINER

The Development of the Increased Production of Light  
Metals  
in the  
Four Year Plan  
with special reference to the time  
of Greater Germany's War for Liberation from 1939 onwards.

TRANSLATION OF EXCERPTS FROM DOCUMENT 11-7352  
CONTINUED

(page 3 of document)

Dedicated  
in grateful devotion  
to the General Plenipotentiary

Herr Professor Dr. G. FRAUEN

on the occasion of the awarding  
of the Ritterkreuz to the Kriegsvordienstkreuz.

Berlin, 5 June 1943.

(page 5 of document)

### P r e f a c e

As the "Military Economy Production Plan" drawn up by the General Plenipotentiary for Chemistry in the course of the Four Year Plan is now approaching completion as far as the main features of the Light Metals Sector is concerned, the desire for a compilation which sets out the various stages in chronological order and serves as a guide through the voluminous files, thus enabling an overall survey to be made later on, appears to be justified.

When dealing with the expansion of an industry, which has been in existence for some time, its historical development, especially during the last world war, is of particular significance.

In an introduction of any length the history of its development should in each instance precede the individual metals if the history of its expansion is to be coherent.

Even at an early stage, the desire to make use of the experiences resulting from this earlier development was an impetus for making comparative studies, either for individual cases or for comprehensive lectures, which could be referred to for this work. It was therefore possible to take these separate reports and compile the present overall survey without prejudice to current work important for the war effort. It is not claimed that this is complete, for a more thorough treatment of the matter, however desirable it may be, must not stand in the way of the urgent tasks connected with the war. And again it is the war, which dictates that this work should appear in the simplest form.

It is intended to produce in a similar form on account of the research work conducted in the field of light metals within the framework of the Four Year Plan



(page 6 of document)

and of the problems resulting from the present state of technical knowledge and its development, thus using the research work carried out under the Four Year Plan as a contribution to a new German technology of light metal production.

Berlin, 1943.

(page 20 of document)

2. The Growth of the Aluminium Industry  
during the World War 1914 - 1918.

At the beginning of the world war Germany was in a very unfavorable position as regards her war potential for the raw material aluminum. This was approximately as follows :

Aluminum capacity of the Central Powers  
including Switzerland appr. 15,000 tons per year

Aluminum capacity of Allies  
including USA and Canada appr. 70,000 tons per year

In July and October 1915, because of their developmental work accomplished since 1905, the firms Chemische Fabrik Griesheim-Elektron and Metallbank-Frankfurt/Main were commissioned by the German Reich to set up three aluminum plants which were to commence production within six months. Already on 6 December 1915 an electrolytic aluminum plant for 3,600 tons per year, which was run with current from the Berlin power plants, could be put into operation in Rummelsburg near Berlin. This was followed in January 1916 by the plant in Horren near Cologne for 2,400 tons per year, and during the second quarter of the same year one more aluminum smelting plant for 3,000 tons per year was able to start operation in Bitterfeld.

After these plants had been completed, the following amounts of aluminum were available per year:

EXTRA SELECTION OF EXCERPTS FROM DOCUMENT VI-7362  
CONTINUED

(page 20 of document, cont'd)

|                           |                     |                      |
|---------------------------|---------------------|----------------------|
| <u>Inland production:</u> | Rheinfelden (water) | 700 tons per year    |
|                           | Rummelsburg (steam) | 3,600 tons per year  |
|                           | Horrem (steam)      | 2,400 tons per year  |
|                           | Bitterfeld (steam)  | 3,000 tons per year  |
|                           |                     | -----                |
|                           | Total approximately | 10,000 tons per year |

In this connection right from the start Rummelsburg had only been conceived as war plant; the current cost 5,6 Pfennigs per kw per hour and the

(page 21 of document)

transformers had been borrowed from the city of Berlin for the duration of the war.

The extremely difficult situation as regards Germany's copper supply caused the War Raw Material Department of the War Ministry 1) to search for means to substitute copper by other metals.

Prior to the World War, Germany used approximately 300,000 tons of copper per year, of which 90 % was imported from abroad, 80 % coming from the USA. The allied powers considered just this copper shortage to be a clear indication of Germany's weakness and endeavored to prevent the copper supply. Even after the Serbian copper mine of Bor was taken over, imports from the Balkans did not even make up for the quantities which were delivered by Germany to the Balkans in form of war material. Until about 1915 only part of the requirements could be covered by the substituting of copper. Iron, tinned and zinced, zinc and lead were used as substitutes. Supplies of other metals were limited, and even aluminum was among the metals which had to be saved. Soon after the outbreak of war the technical side of the Army Administration began experiments on the use of the aforementioned substitutes. It was not until 1916 that any real results were shown. The saving was estimated to be 15 % to 20 % of the original quantity of copper used.

Compare Memorandum of the War Ministry, War Raw Material Department, No. 107/16 Secret WRA of March 1916. P

TRANSLATION OF EXCERPTS FROM DOCUMENT HY-7332  
CONTINUED

(page 21 of document, cont'd)

As the measures to substitute copper by iron, zinc and lead were only partly successful, from now on special attention was devoted to the substitution by aluminum. Aluminum hitherto was considered one of the rarest metals. Proof of this is the fact that shortly after the outbreak of the World War it was prohibited to make cooking utensils, field flasks and beakers for the troops from aluminum, and a large quantity of finished aluminum utensils was withdrawn.

(page 22 of document)

First of all, the memorandum of the War Ministry brings the question up for discussion, as to how far aluminum can be used as a substitute. In this connection copper and aluminum or brass and magnalium (Al Mg-alloy) are compared. This comparison shows that aluminum as regards its processing qualities and strength, as well as its electric qualities, constitutes from a technical aspect a promising substitute for copper. The production of shell cases, detonators and possibly of projectile bands, is given as a use to which it can be put in war time. Furthermore, fittings for vehicles and ships, telephone and telegraph cables, electric high tension cables, apparatuses and machinery of every sort, tanks and containers for chemical plants are mentioned. It is estimated that approximately 90,000 tons of copper per year could be substituted by aluminum, which would correspond to an aluminum requirement of approximately 36,000 tons per year. The total consumption during war is estimated at 46,000 tons per year, in peace time estimated in the same way, approximately 75,000 tons per year.

Secondly the question is put as to whether plants can be set up within the shortest possible time, and independently of foreign countries, to produce sufficient aluminum to meet requirements, without the price of the product exceeding the permissible limit. Before the World War bauxite was almost exclusively obtained in Southern France; however, this supply was interrupted at the beginning of the war, and new sources had to be found. Several bauxite mines had been opened in June 1915 in Eastern Hungary and in

TRANSLATION OF MEMORANDUM DOCUMENT MI-7562  
CONTINUED

(page 22 of document, cont'd)

The surroundings of Fiume and, owing to the active support of the Austrian-Hungarian Army Administration, already in 1916 these were supplying approximately 20,000 tons per month of a sufficiently good bauxite. While the World War lasted these sources offered sufficient

(page 23 of document)

security for the setting-up of an aluminum industry. Apart from that, the memorandum already deals with the use of clay for the production of aluminum; several important firms in Germany had already declared themselves willing to establish plants for the production of alumina from domestic clay. The memorandum also mentions the question of securing the necessary electric power. Approximately half the power necessary was to be supplied by hydraulic power, the other half by warm current produced by hard coal. Including the coal requirements for the alumina itself, it was calculated that 2 million tons of hard coal per year - that is 8 million tons of soft coal per year - would be required, and as one per cent of the yearly hard coal production would cover this, it was not expected that there would be any difficulties.



(page 27 of document)

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The Memorandum did not fall short in the attainment of its object. In September 1916, the Reich founded the Aluminium-Hütte und Elektrodenfabrik Luftwerk A.G. Groveshrieh as a mutually-economic undertaking, in conjunction with the firm Gebr. GIULI I G.m.b.H., which already before the war was running an important alumina factory in Ludwigshafen, and the Rheinisch-Westfälische Elektrizitätsgesellschaft A.G. (Stinnes), Essen. Gebr. GIULI I took over the alumina supply and the Rheinisch-Westfälische Elektrizitätsgesellschaft A.G. the electricity supply. The Luftwerk took up production in December 1917 at 13,000 tons a year. On 31 April 1917, the Vereinigte Aluminium-Werke A.G. was founded, in conjunction with the Reichsregierung, and with the participation of Griesheim and the Metal bank, and it built the Lautawerk as principal aluminium foundry and alumina factory, where the electric energy was produced on a lignite basis in its own central power stations. The works were finished within one year, under the direction of Dr. W. FRIEDRICH, Griesheim, and in October 1918 was able to take up the production of 13,000 tons a year.

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(page 31 of document)

3. The Growth of the Aluminium Industry after the World War until the Assumption of Power (Machtuebernahme)  
1918 - 1933.

For some time after the World War, the capacity of the German Aluminium foundries exceeded the demand. This resulted in the less productive foundries, Runkelsburg with 3,600 tons a year and Pörsch with 3,400 tons a year, being again closed down. On the other hand, a new aluminium construction project had been planned during the World War, on the basis of water power, and for this purpose the Innwerk A.G. was founded, with the participation of the Reich and in conjunction with the Bavarian Government, A.L.G., S.S.W., and Gebr. GIULI I. As a works on the basis of water power appeared to offer profitable prospects, the building was continued in spite of the falling market. During the struggles of the revolution and the inflation, the completion of the work was delayed and the waterpower works were not finished until July, 1924, and the aluminium foundry until 1925, with a yearly capacity of 11,000 tons. After a temporary boom, however, the foundries could only be put into partial operation.

(page 31 of document, cont'd)

During the period under review, a considerable reorganization occurred in the German aluminum industry. In March 1933 a holding company under the name of "Ver einigte Industrie-Unternehmungen A.G. (VIAG)" was created as a link between the companies still working in the form of private enterprises and the Reich as owner. The firms of Giuliani, A.G., Siemens and W. left the Linde A.G. and the Luftwerk respectively, after having been compensated for the development work carried out by them. These developments led to various differences between the Giuliani and the Reich, which were only settled after having been taken before the International Court of Arbitration at the Hague. After the reorganization, there remained in existence in Germany

(page 32 of document)

as producers of aluminum only VAW and Aluminiumwerk G.m.b.H., besides the foundry Rheinolden belonging to the A.I.A.G.

(page 36 of document)

4. The development of the Aluminum Industry after the  
assumption of power up to the beginning of the  
Four-Year Plan 1933 - 1938.

After the assumption of power, there began in the German Reich an economic revival in all fields. This increase of economic strength could only be maintained permanently by a free people. In order to achieve and to safeguard their freedom, the Fuehrer, after many repeated proposals for disarmament, gave orders for German rearmament and the building of a new Luftwaffe. A modern Luftwaffe needs aluminum. The first step must therefore be the restoration to full height of the aluminum production, which during the depression period had dropped to approximately half, and, over and above this, to increase its capacity. The charge of the extension of the aluminum industry was at that time in the hands of Raw-Materials Commissioner (Reichs-Rohstoff-Kommissar) "Ullrich", the Reich Ministry of Economy and the Raw Material and Foreign Exchange Staff (Reichs-Rohstoff- und Devisenstab) in the Reich Air Ministry. Detailed data from this period are not available.

(page 58 of document)

The capacity developed during this short time as follows: -

| Firm                      | Location   | Capacity<br>1932 | in yearly tons<br>end of 1935 |
|---------------------------|------------|------------------|-------------------------------|
| Aluminiumwerk<br>G.m.b.H. | Bitterfeld | 8,400            | 17,000                        |
| VAW                       | Leutewerk  | 12,000           | 32,000                        |
| VAW                       | Teeging    | 11,000           | 10,000                        |
| VAW                       | Orftwerk   | 12,000           | 24,000                        |
| A.I.A.G.                  | Rheinflaen | 700              | 14,000                        |
| A.I.A.G.                  | Leud       | 2,600            | 2,600                         |
|                           | Total      | 46,700           | 99,600                        |

(page 63 of document)

#### MAGNESIUM

##### 1. The Development of the Magnesium-Industry up to the World War : 1929 - 1913.

(page 64 of document)

In 1886, the Chemische Werke Griesheim-Electron started the technical production of magnesium by electrolysis. By the lossing of Bitterfeld-Werke, the former Anthrazwische Werke, the magnesium-electrolysis works there also came, in 1900, into the hands of Griesheim-Electron.

(page 65 of document)

In order to find new fields of usefulness for magnesium, experiments were carried out, at the instance of Dr. G. PISTON, by the Chemische Fabrik Grisehain-Altkirchen. As a first step, the use of magnesium for the de-oxydation of metals, especially of iron, was investigated. In pursuit of this work, an experimental foundry was erected in Grisehain in 1907. The de-oxydation experiments carried out in this foundry did not have the desired result. Dr. PISTON then set the task of investigating whether it would not be possible to use magnesium or its alloys as construction material, whether in the form of castings, or of pressed, rolled or otherwise treated material. The first attempt in the use of magnesium as construction material, took the form of a key, made from a magnesium alloy containing about 8% aluminium, which has proved satisfactory for nearly 20 years. The experimental foundry in Grisehain was equipped with testing machinery for the examination of durability and other qualities of the experimental castings and experimental objects produced. At the same time, experiments were begun to find out to what extent magnesium alloys produced in other metal factories where cylinders and presses are available were suitable. For the first time the experiment was made of using as construction material a metal that had hitherto been used only in the making of fireworks. 1).



(page 55 of document)

The low specific weight of 1.8 of the alloy produced was the particular inducement for this attempt. The chief difficulties lay in the fact that when slightly over the melting point the magnesium burned, so that, when melting, it was not possible to get a clean separation of the metal from the liquefying agent carnallite, used as protection.

The development of the Elektron metal cost about 10 million marks. The new light metal alloy, Elektron 2011, was shown publicly for the first time on the occasion of the International Aviation Exhibition in Frankfurt am Main in 1909, and aroused the liveliest interest, especially in the aviation industry.

The invention by Dr. LÖCK of a casting method which, by addition of sulphur and aluminium secured a pure oxide and salt-free casting, brought about considerable progress in the elimination of the difficulties of the processing of magnesium.

Apart from Elektronmetal, Dr. PISCHKE directed his attention already in 1910 to an alloy of about 8% aluminium and about 5% magnesium, invented by Koch and called Almagium. Koch obtained his magnesium from Griesheim. A gallium soon disappeared from the market, but after the World War of 1914-1918, Griesheim again took up the magnesium experiments and this led to the discovery of Elektronalium (see the chapter on Aluminium).

The factory in Hammelin, which produced magnesium and manufactured powder from it by a similar method to that used in Bitterfeld, and the Bitterfeld factory, were the only magnesium producers in the world, so that the products made from it were good export articles, especially to the United States. The war between Austria and

(page 57 of document)

Japan in 1901 brought in Russia as a new customer, so that the Bitterfeld plants had to be increased from 40 to 80 tons a year. As on the Russo-Japanese War finished, the plants for the most part became idle.

(page 58 of document)

## 2. The Development of the Magnesium-Industry in the World War 1914 - 1918.

In view of the increase of metal requirements at the end of 1914,<sup>1)</sup> the Department for Essential Raw Materials (Kriegsrohstoffabteilung) of the War Ministry approached the Griesheim-Aluminium with the enquiry whether they were prepared to undertake a large-scale production of magnesium, a commodity entirely independent of raw material import.

1) cf. chapter on Aluminium.

(page 58 of document, cont'd)

In the meantime, a new process had been worked out in the Griesheim laboratories, namely, the production of anhydrous magnesium chloride in a hydrochloric acid stream and electrolysis of the anhydrous magnesium chloride in a molten state. The process served its purposes during the war, however, although it was a great improvement on the old process of Carnallite electrolysis used hitherto, it was not yet a final solution. In pursuit of the task set to the Griesheim-Elektron, a plant for the production and processing of 5,000 annual tons of magnesium was set up in the Bitterfeld-Sued works and put into operation in the middle of 1915, the necessary enlargement of the power plant having been effected at the same time.

The magnesium was especially intended as raw material for the manufacture of fuses. The military authorities therefore instructed Griesheim to take over at the same time the production of unfinished fuses. Griesheim had to produce the unfinished fuses by greasing from bare. The production of strapping wire was also later added to the production of fuses. In this manufacture, the war was the best teacher. With fuses, it was learned how important above all was the question of corrosion. The removal of the fault of magnesium and copper coming into contact with damp gunpowder inside the fuse was completely successful.

Another project, in which the best use was made of the pyrotechnic qualities originally obtained from the magnesium, was the incendiary bomb.

(page 59 of document)

Dr. SIEGEL, of the Office of Works of the Fabrik Griesheim-Elektron, suggested using magnesium pipes filled with thermite. Unfinished pipes with thick walls were greased out of electrolysis and processed into incendiary bombs at other factories.

In the last year of the war there was developed in collaboration with A. Wittenbach of the Reichsmetallgesellschaft Solingen, the basis for the later use of automobiles and aircraft castings out of magnesium alloy. In 1917, the larger firms, such as Junkers, Dornier and Heinkel, began seriously to occupy themselves with the use of magnesium. The Heinkel-antiaircraft-factory-like built a small aircraft almost entirely out of electrometal, that weighed only 300 kilo and, with a wing breadth of 9.3 meters, could carry a cargo of 400 kilo.

The following German magnesium industry has existed since 1915:

|   |                      |
|---|----------------------|
| Griesheim-Elektron, Bitterfeld                              | 5,000 tons annually. |
| production in the years 1915 - 1918 was an average of about |                      |
| 5,500 tons a year.  |                      |

(page 77 of document)

4. The Growth of the Explosive Industry after the Occupation of Poland (Machtuebernahme) until the Beginning of the Four Year Plan: 1933 - 1935.

Despite successful efforts to establish magnesium as an industrial material, it was not possible to keep the Bitterfeld plant working constantly at full production. The re-armament after the change of government, however, brought far-reaching changes. Growing Wehrmacht requirements, particularly for the vehicle and plane industry, considerably increased the use of magnesium in the fields which had been developed until then. There was a marked increase in demand owing to the production of the incendiary bomb, which had already been suggested in 1917 by Dr. JIGLER. The bomb had already reached the finished stage towards the end of the first world war and had been tested by a series of experiments; however, it was not used on a large scale in 1918 by the Army High Command. In 1936, it was possible to revert back to the stage reached in the development of the incendiary bomb. The first departure from the previous stage of development was the use of the incendiary charge (Heizsatz). It was developed by Dynamit A.G. after the pattern of the filling of the Gschick-thermite detonator. It was a compound charge consisting of a mixture of permanganate iron and aluminium powder - ferric oxide - perchlorate with black powder primer. However, when these chemicals came in contact with magnesium metal, corrosion very soon set in which greatly reduced the igniting quality of the primers. Furthermore, as a result of its oxygen content, the primer was vulnerable to small-arms fire and exploded easily when over-heated. Corrosion, which set in even when the bombs were well-packed, prevented the storing of large amounts of finished incendiary bombs. This made it necessary to change the incendiary charge; however, it was

(page 78 of document)

not proposed to revert to the magnesium powder ferric oxide-thermite charge as used previously. An aluminium-thermite charge was not found to have any particularly good incendiary qualities. An incendiary charge with an aluminium-magnesium alloy  $\text{Al-Mg}$ , completely proof against corrosion and small-arms fire, was developed. The built-in inoxide percussion cap with a sheet-metal plate and blocking ring of hydroxalium, and the use of a very fine-grain aluminium-thermite primer charge actually made it possible to store the incendiary bomb indefinitely and guaranteed their functioning even from great heights with a minimum of failures. The change-over and equipping of the filling shops and in some cases, the finishing plants, as well as the supervision of the filling chemicals was carried out by Dr. JIGLER.

21

(page 76 of document, cont'd.)

As a result of these developments the demand for magnesium grew by leaps and bounds so that the Ministry of Aviation requested I.G. Bitterfeld to expand its plants. Work was begun in 1934 on the Alsen plant on the Elbe for the production of 6,000 tons magnesium per year. After a building period of 5 1/2 months it was possible to produce magnesium metal in this plant. Whereas Bitterfeld was still mostly working on a magnesite basis, Alsen produced magnesium on a basis of dolomite/final liquor (end-lauge). To this end, a magnesia factory, utilizing Ruesselschall final liquor and Rhonish dolomite, with production facilities for 24,000 tons per year was built, simultaneously with Alsen, in the idle Teutschenthal plant of I.G. Bitterfeld. Following upon Alsen, at the request of the Ministry of Aviation, the Stassfurt plant, with facilities to produce 4,200 tons per year, including 12,000 tons magnesia per year on a final liquor basis was built by I.G. Bitterfeld for Croussag. This factory served as a stand-by plant and was not operated until some time after its completion.

(page 81 of document)

5. The growth of the magnesium industry under the Four Year Plan:  
1936 - 1939.

When the Four Year Plan was announced its object was to utilize fully all German raw materials. One of the raw materials, in the very difficult field of non-ferrous metals was magnesium; production facilities available for magnesium were not being used. The aim, therefore, was to use these facilities as soon as possible, i.e. to create new fields of application for the production. The problem was rendered more difficult by the fact that after certain stocks of the special product for incendiary bombs had been built up existing and operating plants would be heading for a sales crisis, if magnesium metal could not be used on the broadest possible basis. Magnesium as an alloy has a lesser degree of hardness than aluminum. This limited its use in construction as compared with an aluminum finished part of an equal weight. One advantage of magnesium was its low elasticity modulus. Whereas aluminum in the cold stage has poor plasticity and better stretching qualities, magnesium requires to be shaped in the warm stage owing to the hexagonal structure of its crystals. The fact that magnesium has poor alloying qualities, limited the number of technically useful alloys. Although magnesium could to a large extent be protected against corrosion by surface treatment with chromate and suitable lacquering, it did not equal the good aluminum alloys, which moreover can be anodized. For the time being, therefore, magnesium could not be used for fittings, outer constructions and ship building. Furthermore, aluminum castings could be made more easily than magnesium castings. The various difficulties encountered in processing magnesium made its use less economic than was the case with aluminum.



(page 62 of document)

This was all the more true in view of the fact that just at the beginning of the Four Year Plan the market was crowded with cheap aluminum-scrap alloys.

All these difficulties had to be overcome by systematic work.

(page 64 of document)

Efforts to utilize magnesium were first made when the airplane industry began to adopt metal construction. Magnesium was used extensively in monocoque construction because, compared with aluminum alloys of equal strength, it represented a saving in weight of 10-30%, depending on the part of the construction. Well-known examples are wing, steering gear, under-carriage and motor casings which were made with the easily welded alloys 1503 and 537<sup>1</sup>. When anti-knock fuel was introduced, however, magnesium could no longer be used for fuel containers, since magnesium did not have sufficient resistance to corrosion by lead tetra methyl. In order to overcome this defect a protective lining consisting of

1) with 0.4% Cor mixed metal added.

(page 85 of document)

potassium and sodium fluoride was developed and tested, since the incentive for making fuel containers of magnesium was still there on account of the 10-30% saving in weight. The building materials used for monocoque construction are about 70% sheet metal, the rest are mostly thin profiles drawn out of sheet metal strips. Since 1933 efforts have been made to construct planes in such a way as to make mass-production possible. This greatly increased the use of light metal castings, since magnesium castings have about the same strength as aluminum castings, a not constantly growing field opened up which meant a saving of working hours. These castings were used for instance for steering gear, pilot seats, passenger compartments equipment, pillow blocks for rotors, brake mechanism, but above all it was in the field of airplane wheels that magnesium showed excellent results, thanks to its low modulus of elasticity. Further development was started to find new uses for pressed magnesium parts. Excellent results were obtained with cylinder supports which justified all attempts to utilize pressed magnesium parts in holding frame, control pieces etc. As the use of magnesium increased, great forging presses were later on set up in Ditterfeld at the request of the

(page 35 of document, cont'd)

Ministry of Aviation for the production of forged pieces. The development of large forged pieces led to experiments in the use of magnesium for propellers, in which connection, through the increasing power of the motors and the increasing diameter of the propellers difficulties had already been encountered because of the too great centrifugal force for the specific weight of the aluminum alloys. The development of heat-resisting magnesium alloys in connection with aircraft engine construction very soon led to the use of this metal for the crankcase as well as for lower and upper parts, for instance in the DB.6-engine. In the field of bomb-release equipment of airplanes important experiments were carried out, some of which were very successful.

(page 36 of document)

Hydronalium alloys containing magnesium began to be used more and more in the construction of planes; in particular, hydronalium floats on naval airplanes showed excellent results. Mass production of hydronalium castings was also achieved, especially for naval airplanes. In the field of development of Dr. von Braun, hydronalium castings were tested in a special furnace and proved to be adequate. In the field of ammunition, particularly for production of other than electro-metal fuses, the use of hydronalium has been encouraged as a special preliminary and automatic alloy in place of Dur in order to save copper.

As the vehicle industry promised great increases in the utilization of magnesium, the most important vehicle factories were visited by the Raw Materials Office together with representatives of I.G. Bitterfeld, and a check was made of the possibility of using magnesium; 87% of the passenger vehicle production, 43% of the truck production and 34% of the motorcycle production.<sup>1)</sup> The possibilities of utilization were divided into three groups: group 1 comprising irremediably interchangeable building parts, group 2 parts which could be interchanged later after short tests, while group 3 comprised such parts as would need constructional changes and consequently would require longer testing periods. Under group 1 were such parts as cylinder head covers, covers of all types, gear boxes, oil sumps and oil pumps, adapters of all types, bases for accessories, air-intake tube, parts of ventilators and belt wheels, rear-axle covers, signal rings etc.; parts which came under group 2 were (hydraulic) jack blocks, parts of bearings, blocks for brake bars etc.

<sup>1)</sup> The Berlin International automobile and motorcycle exhibition of 1939 demonstrated how the utilization of magnesium alloys had advanced in a short time.

(page 57 of document)

For these parts, zinc spray casting was also being considered. Under group 3 were crankcases, covers for crankshaft bearings, cylinder heads, clutch and gear boxes, blowers, engine supports, steering wheel crosses, etc. The introduction of the parts under group 3 made it necessary to produce heavy spray castings in order to get an advantage in price as compared with other types of castings; it was further desired to develop superstructures for omnibusses and trucks. The investigation further disclosed that the use of magnesium in the field of accessories promised good results. In spite of careful studies, the problem of making the use of magnesium, particularly in place of aluminum, pieces from scrap, an economic proposition in the foundries could not be overcome. On the basis of this investigation, and bearing in mind the economic aspect, it was deemed possible to use magnesium to the extent of 2,000 tons per year in the vehicle industry.

In the electrical industry, the use of magnesium for conductor rails was encouraged. Conductor rails had been used for years in the Ditterfeld Graphite Factory with good results. These efforts in connection with the production of electric motors were greatly aided by new developments. For instance, the die-cast electron motor case developed by Dr. SCHULZ in conjunction with the firm of Leher-Russdorf. A large field in this branch of industry was the use of parts of accessories, particularly for portable sets like vacuum cleaners, motor saws, etc. It was estimated that the whole electrical industry could use about 1,500 to 2,000 tons per year.

In the general machine industry and the metal goods industry, the use of magnesium was referred for all movable parts. Such parts are, in textile machines, jacquard rollers etc. \*) made of sand and chilled castings. For machine tools the parts involved were gear boxes and covers, driving plates, cams etc. In the making of tools and attachments there were milling heads for wood-processing machines, bodies for knife heads, handles for limit gage anvils, arms for diameter gages and micrometers; movable parts of attachments, particularly in the construction of attachments, as well as dies for sheet-metal shaping, which showed less wear and tear than other industrial materials and were considerably easier to change. In the optical industry and the precision instruments industry, cameras and light glass casings, as well as compass casings came into question. In agriculture machinery the following were introduced and, in some cases tested: binders (knotters), knife blocks, covers of all types, gears and oil-bath casings, bearings, protecting covers, supports and screen blocks etc. In the general metal-goods industry my suggestions for the use of magnesium, too numerous to mention, were made. I will only mention sewing machine parts, supports, carriers and blocks of all types, medical articles etc.

\*) Translators note: Here follows a series of highly specialized textile machine parts.

(page 88 of document, cont'd)

Engraving plates of magnesium showed certain advantages over zinc plates, and despite many set-backs it was estimated that for this purpose an additional 200 tons of magnesium per year would probably be required.

A field not to be underestimated was the manufacture of badges, for which no less than 400 tons of magnesium per year could be used as a substitute for other metals.

Its large scale use by the Wehrmacht was especially encouraged on the orders of General ECKART on behalf of the Army Ordnance Office. Besides the construction of vehicles of all types, special attention was paid to the use, not only of magnesium, but particularly of automatic alloys of hypomagnesium.

(page 89 of document)

Furthermore, magnesium was being used for machine gun supports, plates for grenade throwers, mine cases etc.etc.

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(page 90 of document)

At the suggestion of the Office, the use of magnesium was definitely encouraged by the State authorities, particularly by the Supervisory Office for Metals. The cooperation of the Office and the Supervisory Office for Metals resulted in a decree issued at the end of 1937 by the Reich Ministry of Economics which for the first time ordered the use of magnesium, instead of prohibiting it.

Special attention was given to exploratory work for the employment of magnesium<sup>2)</sup>. The problem of vehicle super-structures of magnesium has already been mentioned. In connection with this type of construction, the Office brought out the loud-speaker car of the travelling exhibition "Schaffendes Volk", as well as the Hitler Youth train. Inducement and encouragement was given to work carried out by the Berliner Verkehrsgesellschaft, on omnibus and street-car constructional parts and by the Reichsbahn on constructional parts for Diesel trains etc., as well as work carried out by the whole vehicle industry. On the basis of this work, an additional requirement of 4,000 tons magnesium per year did not seem too much. A special field of development in the vehicle industry was offered by the Volkswagen, for the construction of which Dr. ECKART went all out for the use of magnesium, particularly for motor and supercharger parts etc. The quantities of magnesium required for the mass production of the Volkswagen, including the small tractor which was also envisaged, was estimated as follows by the Volkswagen works:

1) Reich Jah Gazette 1927/38

2) Compare Dr. ECKART "Magnesium, the German Non-ferrous Metal", Four Year Plan 1938.

96



(page 91 of document)

|      |          |
|------|----------|
| 1939 | 400 tons |
| 1940 | 4,000 "  |
| 1941 | 11,000 " |

The Volkswagen works even planned their own foundry to produce these large quantities and were also considering the production of their own magnesium. The work in the field of fittings aimed at making magnesium resistant to corrosion by spraying on a coating of hydronalium. In particular, treatment of the sprayed part by heat had quite successful results. In 1938, for instance, door handles were made which after being in daily use for years did not show the least sign of corrosion.

The many efforts which have been described proved successful. By 1938, in spite of the fact that the many large Wehrmacht orders were nearing completion, particularly for the incendiary bomb, production was not only kept up but, over and above that, the Stassfurt plant, until now idle, with production facilities for 4,200 tons per year, was put into operation at the end of 1938.

Included in the development of magnesium production for 1933 to 1935 was the planning of the expansion in case of mobilization. The plants built in Aken, Stassfurt and Koldingen were therefore planned in such a way that they could be expanded at any time.

TRANSLATION OF EXCERPTS FROM DOCUMENT No. VI-7682  
CONTINUED

(page 94 of document)

The investigation in regard to the mobilization requirements, which was conducted at the beginning of 1938 simultaneously with that of the mobilization requirement for the raw material aluminum at that time showed a mobilization requirement of 26 000 tons per year. This requirement was in strict conformity with the Four Year Plan. Through the planned exchange of 15 000 tons per year of aluminum for 10 000 tons per year of magnesium this mobilization requirement increased to 36 000 tons per year. This requirement was met through the new military economic production plan dated 12 July 1938 according to the following diagram:

(page 96 of document)

During the period under review the German production capacities were as follows:

| Plant                   | Beginning<br>1936 | Beginning<br>1937 | Beginning<br>1938 | Beginning<br>1939   |
|-------------------------|-------------------|-------------------|-------------------|---------------------|
|                         | (tons per year)   |                   |                   |                     |
| I.G. Farben, Bitterfeld | 3 600             | 3 600             | 3 600             | 3 600 <sup>1)</sup> |
| I.G. Farben, Aken       | 8 000             | 8 000             | 8 000             | 9 000 <sup>1)</sup> |
| I.G. Farben, Stassfurt  | 4 200             | 4 200             | 4 200             | 4 200               |
| Wintershall, Heringen   | 2 000             | 2 000             | 2 000             | 2 000               |
| Total                   | 17 800            | 17 800            | 17 800            | 18 800              |

In addition, the production capacity was being increased to 2 500 tons per year at Heringen, to 12 000 at Aken and to 5 000 at Stassfurt. Further, approx. 3 600 tons of salvaged scrap iron per year were also being processed, but this was done exclusively by the production plants so as to avoid impurities in the metal which would endanger its anti-corrosive qualities.

1) Increase through improved utilization of the existing plants.

(page 98 of document)

5. The Growth of the Magnesium Industry since the outbreak  
of war on 1 September 1939.

Although Germany showed a much higher magnesium producing potential and production when war broke out than the rest of the world put together, an expansion of magnesium production was initiated in conformity with the Reich Marshal's request for additional light metal production in order to meet the requirement, particularly of the Air Force. At the outbreak of war the magnesium production capacity was as follows:

| Firm                             | Plant                         | Capacity (tons per year) |
|----------------------------------|-------------------------------|--------------------------|
| I.G. Farben                      | Bitterfeld                    | 3 900                    |
| I.G. Farben                      | Aken                          | 9 000                    |
| I.G. Farben                      | Stassfurt                     | 4 200                    |
| Wintershall                      | Ehringen                      | 2 000                    |
| Total                            |                               | 19 100                   |
| I.G. Farben                      | Experimental plant<br>thermic | 700                      |
| In the stage of expansion were:  |                               |                          |
| Aken from 9 000 to 12 000 by     |                               | 3 000                    |
| Stassfurt from 4 200 to 6 000 by |                               | 1 800                    |
| Ehringen from 2 000 to 2 500 by  |                               | 500                      |
| Total                            |                               | 25 100                   |

These expansions which could not be carried out very quickly during the 3rd quarter owing to a shortage of iron quotas, especially structural iron, were at first speeded up considerably. In order to safeguard this accelerated program, the Reich Air Ministry commissioned SPER's Building Staff with the control of the constructional part of the building projects, and in pursuance of this measure the Reich Air Ministry authorized and allocated the structural iron necessary for these expansions.

TRANSLATION OF EXCERPTS FROM DOCUMENT No. NI-7562  
CONTINUED

(page 100 of document)

At the end of 1939 the Reich Air Ministry again demanded an increase of the magnesium production capacity and asked I.G. Farbenindustrie Bitterfeld to propose a site. Preliminary work had already been started on the planned X-plant before the outbreak of war at the instigation of the General Plenipotentiary for Chemistry. As further enlargement of the Aken and Stassfurt plants, which were already in the stage of expansion, was not expedient, I.G. Farbenindustrie Bitterfeld suggested Gersthofen as a site in view of the fact that an I.G. plant was already located there. The expanded river Lech power plant and the steam power plant Gersthofen was to serve as power source for Gersthofen.

(page 101 of document)

To begin with the silico-thermic process was to be employed at the magnesium plant at Gersthofen, for which process an experimental plant with an output of 200 tons per year had been approved. But even during the preliminary work, I.G. Farbenindustrie Bitterfeld declared that they were not yet in a position to guarantee the desired production of 6 000 tons per year, if only one plant employing the silico-thermic process with a capacity of 6 000 tons per year were set up. But to save larger investments and, in connection herewith, materials, I.G. Farbenindustrie Bitterfeld re-adapted the plans for Gersthofen to the electrolytic process, the preliminary production stage of which was to be in Central Germany. If the Aken and Stassfurt plants were run at full pressure and if they were fitted out with some additional apparatus, then there was a possibility of increasing production by 10 000 tons per year in each plant. The Reich Air Ministry had also asked the Wintershall A.G. for proposals for an enlargement of their plant. This resulted in the following projects: The Heringen plant increases its expansion which is already under construction by another 2 000 tons per year, i.e., from 3 100 to 5 900 tons per year, so that it reaches a production capacity of 8 400 tons per year instead of 5 600 tons. According to this the plan is as follows:

|                           |                        |
|---------------------------|------------------------|
| Existing plants           | 19 100 tons per year   |
| being enlarged            | 16 000 " " "           |
| additional plans:         |                        |
| Expansion of Stassfurt II | from 8 500             |
|                           | to 9 500 by 1 000      |
|                           | tons per year          |
| Expansion of Aken-        | by 1 000 tons per year |
| Heringen II               | 2 800 " " "            |
| Gersthofen                | 6 000 " " "            |



TRANSLATION OF EXCERPTS FROM DOCUMENT No. NI-7562  
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(page 103 of document)

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The conquest of Norway meant further supplies of magnesium. As difficulties had arisen at Gersthofen in the negotiations for electric current, the Reich Air Ministry intervened in these negotiations to prevent a postponement of the lead-line, if possible. In view of the alumina situation in Norway, the alumina factory at Herøen, which uses Labradorite as raw material, has in the meantime been added to the plan and is to be included in the secondary nitrogen production scheme. As the negotiations for the supply of power at Gersthofen had not yet been concluded, Generalingenieur TSCHERSICH suggested the transfer of the magnesium project Gersthofen to Norway. In consideration of the rapid schedules demanded by the Reich Air Ministry, the easiest way of fulfilling these short term demands at Herøen lay in making use of existing factory grounds as well as magazines, installations, and work-shops, the more so, since in Norway seawater was to be used as the basic material. The Norsk Hydro went to extend the power plant Maar, for which complete projects were available, so that here too it was possible to refer to existing plans. To overcome the difference in regard to the building time caused through the transfer from Herøen to Maar, the reservoir at Moesvann was enlarged by 4 m from 700 to 1 000 million cbr. by increasing the height of the sluice (see also the special chapter Norway).

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( page 173 of document )

Third Section

Light Metal Plan Norway

415

( page 174 of document )

2. Origin and Development of the Program.

On the occasion of his journey to Norway, from 16 to 21 May 1940, and in the course of his investigations into the possibilities of overcoming the aluminum gap in Norway of 50,000 tons of alumina per year, Dr. KRAUCH ascertained that Norsk Hydro had a process for solubilizing Labradorit through nitric acid, which could be installed with good results into the Secondary-Nitrogen-Plant Horecon. In no expansion in Norway was yet contemplated by Gebochem, negotiations were not, for time being, undertaken with the Norsk Hydro, but the process was subjected to a thorough technical test. In view of the favorable results of these tests, Professor KRAUCH instructed Dr. MEUKIRCH at the end of September to take up negotiations with Dr. Aubert of the Norsk Hydro. On this occasion, an inspection was made of Horecon, which fully confirmed its favorable location from a technical point of view. In the course of the conferences with Dr. AUBERT, Dr. MEUKIRCH learned of his discussions with Dr. KUEHNLEIN, which likewise aimed at the expansion of the Norwegian aluminium industry, although the projected expansion centered in other plants. In connection with this, the water power works Tyin were mentioned, the suitability of their utilization in the case of aluminium expansion becoming obvious at a subsequent inspection. In discussions in the Reichskommissariat, Dr. MEUKIRCH learned that Dr. KUEHNLEIN had greater plans for the expansion of the aluminium industry in Norway, which amounted at first to 85,000 tons per year, and for which alumina was to be produced in Sauda. In discussions with MEIER, Dr. KUEHNLEIN's deputy, projects in Glomfjord and Sauda were confirmed. As no further details on projects could be obtained in Norway, Dr. MEUKIRCH returned to Berlin.

( page 175 of document )

Subsequent to Dr. MEUKIRCH's trip to Norsk Hydro, technicians of Norsk Hydro visited German alumina plants. At the same time, Erikson of Norsk Hydro called on Professor KRAUCH and asked for his opinion on a production expansion of light metal in Norway. In connection therewith, he stated that German agencies in Norway had also said to him that after all an end of the war was to be anticipated and therefore an overcapacity in light metals was to be feared. Professor KRAUCH replied that nothing could be said here as to the end of the war, but that, even if the war ended, light metal would still remain of the utmost importance, in view

( page 175 of document, cont'd. )

of the copper situation. As a result of these various visits and discussions, Norsk Hydro decided to participate in an alumina expansion in Morocco.

As negotiations in regard to the Magnesium GEMMEL project, which had been included in the planning at the instance of the Reich Ministry for Aviation, were not yet concluded, General ISLERSICH proposed to transfer the Magnesium Project to Norway. In view of the short time limit demanded by the Reich Ministry for Aviation, Morocco appeared the most suitable for swift execution of the project, on account of available factory sites and the use of existing warehouses, installations and workshops, as well as the employment of available trained personnel. The location of Morocco, therefore, appeared suitable for a magnesium foundry, all the more so as sea water was to be used as basic material. At the end of December, Dr. KOSCHKE and von der LEE inspected Morocco and again confirmed the favorable location.

At Norsk Hydro, it was desired to expand the MMR power works, for which complete projects were ready, so that, in this instance too, already existing plans could be utilized. As a matter of fact, a nitrogen production of approximately 70,000 tons per year did not fully utilize the power plants of Norsk Hydro.

( page 176 of document )

In the event of the magnesium foundry being completed before the power plant was put into operation, the gap could be overcome by using the current of Norsk Hydro, in addition to any available reserves from the public power system. For this purpose coal would be transported from Germany to Morocco for available coal steam boilers thus replacing electro steam. Negotiations with Norsk Hydro showed the willingness of the firm to enter into a power supply contract up to 80 KW and to participate in the Nordisk Lettmetall, I.G. Farbenindustrie got into touch with Dr. KOSCHKE, who approved the plans for Magnesium Morocco and, on his part, also ordered the building of Aluminium Morocco I, for which MMR simultaneously offered adequate power supply. Gebecken rejected the more extensive plans of Dr. KOSCHKE for alumina II and aluminium III. The Morocco project was also submitted to the Air Gun Command (Luftwaffenkommando) for examination. In view of the general fluorite situation, Gebecken also approved a cryolite plant for the utilizing of Norwegian fluorite deposits. After Dr. ISLERSICH, on the occasion of his journey in Norway at the end of September and the beginning of October 1940, had learned of the aluminium expansion plans of Dr. KOSCHKE, the latter, for the first time, on 11 October 1940, reported his plans to Professor KRAUCH, which were as follows:

Construction stage 1 : Glamfjord 23,000 tons of aluminium per year  
Morocco 25,000 tons of alumina per year  
Saudi about 80,000 tons of alumina per year

Construction stage 2 : Osa about 30,000 tons of aluminium per year  
" 30,000 tons of alumina per year

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TRANSLATION OF EXCERPTS FROM DOCUMENT No. NI -7562  
CONTINUED  
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( page 176 of document , cont'd. )

Tyin about 30,000 tons of aluminium per year  
" 60,000 tons of alumina per year

in addition the power plants Glomfjord, Sauda III,  
Osna and Tyin.

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( page 177 of document, cont'd. )

On that occasion, Dr. KOPFBERG stated that he had already discussed the above plans with Reich Commissar THROVEN and Generaloberst UDET, of the Reich Ministry for Aviation, and that both parties had, in principle, agreed to the realization of these plans. General von HANSEN had also been notified by Dr. KOPFBERG. Generaloberst UDET had already undertaken to notify the Reich Marshal. On the same day, Dr. KOPFBERG submitted the entire plan to Generaloberst UDET in writing, mentioning the discussion with Professor KRAUCH and again stressing the approval of Reich Commissar THROVEN. The dates were fixed as follows:

30,000 tons aluminium per year, capacity up to date  
60,000 tons aluminium per year by the end of 1941  
120,000 tons aluminium per year by the end of 1942  
150,000 tons aluminium per year by the end of 1943  
180,000 tons aluminium per year by the end of 1944.

Dr. KOPFBERG promised that, in the event of this project being approved, he would be responsible for its execution as quickly as possible and with the best final results in technical and economical respects. This letter was returned from the Reich Marshal's headquarters to Generaloberst UDET as early as 14 October 1940. The following handwritten note of the Reich Marshal appears on the letter itself:

" I approve of these plans and expect them to go into effect as promptly as possible. GOERING."

In the discussion on 11 October 1940, Professor KRAUCH promised his cooperation and examination of this project, offered the services of I.G. specialists and agreed to the commissioning of Colbau, with the carrying out of the plans and the construction. Although the question of finance was not settled in any way, the initial investigation work for the project and the planning work were begun at once.



( page 178 of document )

In view of the fact that the Reich Marshal insisted on prompt realization of the project, the first contingents were fixed for as early as the fourth quarter of 1940. At the end of October, the Reich Marshal gave Dr. KOEFFELBERG a general power of attorney for the Expansion Plan Norway. In pursuance of this letter of attorney given to Dr. KOEFFELBERG, Professor KRAUCH, in a letter dated 14 November 1940, informed the Reich Marshal on the measures carried out by him in the meantime with Dr. KOEFFELBERG, which he had started immediately he was notified by Dr. KOEFFELBERG of the order to expand the light metal production in Norway. Professor KRAUCH then endeavored to solve the financing problem. The VAW, having emphasized in a letter to the Reich Ministry of Economics, dated 9 September 1940, its strong interest in the expansion of the Norwegian aluminium industry, Gebohlen contemplated putting the financing of this Reich-directed Norwegian expansion in the hands mainly of those German agencies which, hitherto, had taken a leading and successful part in the expansion of the aluminium industry in Germany. On the 7 November 1940, a meeting took place between GLSCHER/ VLG and Professor KRAUCH, in which the following was discussed: The expansion of the alumina and aluminium production was to be undertaken by a new company, in which the Norwegians were to be permitted to participate up to 24%. The remaining 76% were to be concentrated in a German group in accordance with the prevailing quotas, i.e. approximately 70% VAW and 30% I.G./M.G. If the Reich Ministry for Aviation were to desire its own participation, the aim should be to retain the Reich Ministry for Aviation as a partner only for the duration, whereas for the post-war period VAW and I.G./M.G. were to have an option right in the ratio of 70:30 of the Reich Aviation Ministry's quota. The management of the expansion was to be carried out by personnel made available by VAW, VLG, and I.G./M.G. in conjunction with the Mineraloel-Baugesellschaft.

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( page 179 of document )

As the Reich Ministry for Aviation desired a decisive financing participation, Professor KRAUCH, at a conference with the Reich Minister for Finance on 25 November 1940, proposed a partnership on approximately the following basis:

51% Reich Ministry for Aviation / LF.,  
49% German group and I.G./M.G. 70 : 30 .

At this conference, Professor KRAUCH emphasized that it would not only promote technical operation, if experts of the VAW were made use of to a larger extent, but would also guarantee a reasonable expansion of the company and its economic and commercial management. In opposition to Professor KRAUCH's proposal, Generalmajor FLOCH stated that the Reich Ministry for Aviation / LF. had been ordered to finance the Norway expansion 100%, whereas Dr. KOEFFELBERG had the power of attorney to carry out the project. As opposed to this, Professor KRAUCH stressed once more that the technically appropriate and swiftest

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TRANSLATION OF EXCERPTS FROM DOCUMENT No.  
NI - 7562

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( page 179 of document, cont'd. )

realization of the project could be guaranteed only by using the services of those German experts who had up till then been engaged in the production of aluminium. It was decided that Dr. WESTRICH should again take up negotiations with Dr. KOPFERBERG. These negotiations failed completely within a short time. What actually happened was that the Bank for Luftfahrt financed to 100% the establishment of the Hansa Leichtmetall A.G. as a holding company, which on its part undertook the financing of the A/S Nordag. The order for the construction of the Nordag was given to the Mineraloel-Baugesellschaft. For the construction work in Horeoon the Nordisk Lettmetall was created, the following firms participating:

- 1/3 Hansa or Nordag respectively
- 1/3 Norsk Hydro,
- 1/3 I.G. Farbenindustrie A.G.

The I.G. Baubureau Oslo, specially created for this purpose, was given the order for Horeoon.

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CERTIFICATE OF TRANSLATION  
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8 September 1947

I, Julius J. STEINER, AGO, A 442 654, hereby certify that I am a duly appointed translator for the German and English languages and that the above is a true and correct translation of excerpts from document No. NI - 7562 .

Julius J. Steiner

AGO A 442 654

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Doc. 18k  
20  
66

TRANSLATION OF DOCUMENT No. NI-11711  
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES

For Director Dr. ter Meer  
Dept. ....  
For your kind attention

Frankfurt on Main, 2 November 1934

Secretariate  
Retired Ministerial Counsellor Dr. Buhl

(page 2 of original)

I.G. Farbenindustrie Akt. Ges.  
Department of Political Economy  
For the attention of Dr. Gattineau,  
Berlin NW 7

Unter den Linden 78

In accordance with your request for information on negotiations with the Reich Ministry of Economics, I can now advise you that I and Dr. Petersen of the Metallgesellschaft were on Wednesday invited to Under Secretary Pöschel's, to discuss with him the expansion of our aluminum works in Bitterfeld and the price question. We have declared ourselves ready in principle to increase our production of 8,500 tons per year by 3,000 tons, but to this we have attached the condition that the Government shall not prevent the economic running of the plant, that is, a reasonable industrial profit, through interference in the field of prices. Furthermore, we asked that the Firma Giulini, which was at the same time applying for permission to erect an aluminum plant and from which, as is known, we obtain our alumina, be refused this permission. The outcome of the conversation was that the first request was allowed, especially as the danger of the A.A.C.'s exploding also counted against the Giulini Plan;

(page 3 of original)

that we should have to yield considerably further on the price question than we for our part had volunteered to (instead of 1.50 only 1.44, from which the various discounts had still to be deducted, so that only 1.25 remained to us ex works); and finally that the Reich Ministry of Economics, which estimates the requirements for the next two years, not at 60,000, but at 75,000 tons per year, most urgently requests us to expand our plant not merely by 3,000 but by 6,000 tons per year. Of course, we have merely taken note of this last request and have reserved ourselves the right to investigate the matter thoroughly. For the present we are not much inclined to accede to this further wish, especially bearing in mind the price question.

This information is of course strictly confidential.

signed: Buhl

CERTIFICATE OF TRANSLATION

23 October 1947

I, Patricia WOOD, ETO No. 20139, hereby certify that I am a duly appointed translator for the German and English languages and that the above is a true and correct translation of the document No. NI-11711.

Patricia WOOD  
No. 20139



*J. G. Farben*  
MILITARY TRIBUNAL NO.  
CASE NO. *VI*  
Prosecution Document Book No. *XXXI*

*English*



# INDEX

TO DOCUMENT BOOK XXXI

Count I - D

Case No. VI

## FARBEN PARTICIPATED IN CREATING AND EQUIPPING

## THE NAZI MILITARY MACHINE FOR AGGRESSIVE WAR

| Exhibit No. | Document No.   | Description of Document   | Page No.    |
|-------------|--|---|-------------|
|             | NI-10029<br>(already in evidence in Book II as Exhibit 47) | Graph " I.G. owned and operated plants" showing the plants belonging to the I.G. Betriebsgemeinschaft with affidavit by Struss. | See Book II |
|             | NI- 9923   | Affidavit by Struss explaining how the graph NI-10029 was compiled.   | 2           |
|             | NI-10030<br>(already in evidence in Book II as Exhibit 51) | Graph " Plans of the Dynamit A.G. vorm. Alfred Nobel & Co., Troisdorf, with affidavit by Struss.                                | See Book II |
|             | NI-9446  | Affidavit by Struss explaining how the graph NI-10030 was drawn up.   | 5           |
|             | NI-10033<br>(already in evidence in Book II as Exhibit 44) | Map " Plants of I.G. and participations" as of 1932 .   | See Book II |
|             | NI-10034<br>(already in evidence in Book II as Exhibit 45) | Map plants of I.G., participations and operated plants of I.G. as of 1943.  | See Book II |
|             | NI- 9445<br>(already in evidence in Book II as Exhibit 46) | Affidavit by Struss explaining how the maps NI-10033 and NI-10034 were drawn up.  |             |
|             | NI- 8319   | Affidavit by Struss on Farben stand by plants and expansion program.  |             |
|             | NI- 9619   | Affidavit by Dr. Murek, senior court seller, listing Farben's emergency plants built or planned in peacetime.                   |             |



| Exhibit<br>No. | Document<br>No.  | Description of Document   | Page<br>No. |
|----------------|--|---|-------------|
|                | NI-10540   | Affidavit of Dr. Diekmann, former official of Wifo.   | 19          |
|                | NI- 7238   | Affidavit by Dencker, former chief of I.G. Farben central bookkeeping department, to the effect that Wifo financing for nitric acid plants arose because I.G. considered it had enough nitric acid plants for peacetime needs.  | 24          |
|                | NI- 9478   | Affidavit of Dr. Mulert, former official of Reich Ministry of Economics to the effect that Wifo was created by Reich Minister for Economics for construction of factories and storage facilities for sulphuric and hydrochloric acids.  | 25          |
|                | NI- 4498   | Agreement between I.G. and Wirtschaftliche Forschungsgesellschaft (Wifo) on the emergency plant Wolfen, dated 1937 and 1938.  | 26          |
|                | NI- 7711   | Interrogation of Schmied-Lossberg re Montan plant financing.  | 27          |
|                | NI- 9192   | Affidavit of Dr. Zeidelhack, chief of Montan division in army ordnance office re Montan plants.   | 33          |
|                | NI- 4491<br>(already in<br>evidence in<br>Book XIII as<br>Exhibit 354) | Explanation of " Montan " scheme from I.G. Farben Wehrmacht files.  | 37          |
|                | NI- 5685<br>(already in<br>Evidence in<br>Book XIII as<br>Exhibit 353) | Memorandum of a conference at Troisdorf concerning the " Montan " and the " I.G. " schemes for building and operating factories for Wehrmacht agencies, 31 January 1939; variations in the two schemes discussed, particularly as they apply to D&G and its subsidiary companies. | 40          |
|                | NI- 7772   | Contract dated November 1937, whereby operation of " Montan " plants by W.S.S.G, D&G subsidiary, is guaranteed to be for exclusive use of Reich war department (compare chart NI-10030).  | 43          |
|                | NI- 7766   | Blanket guarantee dated 23 May 1939 by D&G re operation of " Montan " plants by its subsidiary, Gesellschaft m.b.H. Zur Verwertung Chemischer Erzeugnisse ( Verwertchemie ).  | 50          |
|                | NI- 7771   | Omnibus agreement between D&G and Army High Command re secrecy and operation of " Montan " plants.  | 52          |

| Exhibit<br>No. | Document<br>No.   | Description of Document   | Page<br>No. |
|----------------|---|---|-------------|
|                | NI- 6780  | Representative letter agreement between "Montan" and subsidiary of D&G dated May and August 1939 re manner of operation and secrecy.  | 62          |
|                | NI- 6482  | Letter from I.G. to Reich Air Ministry, dated 30 September 1938, submitting details for the construction of a new plant for the production of "BI IV/1".  | 70          |
|                | NI- 6504  | Secret letter from I.G. to Reich Air Ministry, dated 11 March 1939, suggesting Stassfurth as the location for the new "BI IV/1" plant.  | 72          |
|                | NI- 4490<br>(already in<br>Evidence in<br>Book V as<br>Exhibit 114) | I.G. memorandum on discussion with the Reich on 13 November 1936, regarding the contemplated election of emergency plants by I.G.   | 74          |
|                | NI- 4493  | Carbon copy of building agreement between I.G. and O.K.H. on erection of emergency plants at Wolfen. The agreement refers to the cover agreement between Farben and O.K.H., dated 24 October 1936 and 2 November 1936.                                  | 76          |
|                | NI- 4856  | Minutes of the 143rd meeting of the technical committee, dated 30 June 1943, showing that the I.G. factories at Landsberg, Huels, Moosbierbaum and Heydobreck were built in 1938 and 1939, also their production was not required for peace time needs. | 84          |
|                | NI- 7378<br>(already in<br>Evidence in<br>Book X as<br>Exhibit 234) | Letter from I.G. to Army Ordnance Office re erection of shadow plants for aluminum chloride, dated 11 July 1939.  | 88          |
|                | NI - 6764   | Letter of I.G. Ludwigshafen and Bitterfeld to the presidents of the Government, Munster and Merseburg, dated 7 December 1936 and 5 April 1937, requesting approval for the construction of an installation for ethylene oxide and magnesium production. | 90          |



TRANSLATION OF DOCUMENT No. NI-9923  
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES

AFFIDAVIT

I, Dr. Ernst A. Struss, Director of I.G. Farben, head of the Office of the I.G. Technical Committee, secretary of the Technical Committee of the Vorstand of I.G., head of Sparte II of Vermittlungsstelle III and, since 1943, production chief of the whole German dyestuffs industry, after having been warned that I shall be liable to punishment for making false statements herewith declare the following under oath of my own free will and without coercion:

I wish to state the following concerning the diagram marked NI-10029, which shows the factories owned by I.G. and those operated by I.G.:

- 1) The diagram shows all factories belonging to the three I.G. Sparten. The factories belonging to Sparte II are sub-divided into 4 Works Combines, viz: -

Betriebsgemeinschaft Oberrhein  
" " Mainau  
" " Niederrhein  
" " Mitteldeutschland.

- 2) The following groups of factories belonged to the three I.G.-/Sparten  
a) all I.G.-owned factories;  
b) all factories in which I.G. participation was 100%, with the exception of Piesteritz which was usually left out of any I.G.-Sparte, since I.G.'s 100%-participation was quite unknown.

I.G. had 100% participation in the following factories shown in the diagram:

Leuna - Ammoniakwerk Hersfeld G.m.b.H.  
Schkopau - Dunawerke G.m.b.H.  
Karlsruhe - Deutsche Koloniale Gerbstoff Ges.m.b.H.  
Goldbach - Fassholzfabrik Goldbach G.m.b.H.  
Knapsack - Aktiengesellschaft fuer Stickstoffduenger  
Leipzig - Metallguss-Gesellschaft m.b.H.  
Bitterburg - Deutsche Celluloidfabrik A.G.  
Dieblich - Kalle & Co. A.G.

- c) Factories in which the I.G. participation was less than 100% and which were counted as belonging to the Sparten as a result of the technical co-operation with I.G., viz:-

|           |   |                               |         |
|-----------|---|-------------------------------|---------|
| Huels     | - | I.G.-participation            | 74 %    |
| Holten    | - | " "                           | 30 %    |
| Duisburg  | - | " "                           | 90,52 % |
| Hochraddt | - | " "                           | 50 %    |
| Gepol     | - | " "                           | 50 %    |
| Halle, A. | - | Riebeck'sche Montanwerke A.G. |         |

- d) Linz, as the only major factory outside of I.G. in which I.G. participation exceeded 50 % and for which I.G. supplied the plant manager.

(Signature)  
Ernst Struss

TRANSLATION OF DOCUMENT No. NI-9923  
CONTINUED

(page 2 of original)

- e) The coal mines of Riebeck'sche Montanwerke I.G. since they together with the I.G. mines came under one management.
- f) Factories operated by I.G. which were WIFO and Reich (Montanwerke)-owned.  
The following are WIFO-owned factories:  
Emsen-Langelsheim-Deeberitz-  
Welfen-Piesteritz-Linz and Waldenburg.  
Montan factories are: -  
Gondorf-Dyhernfurth-Falkenhagen-.  
These three factories were not in the proximity of any I.G. factory.  
Other Montan factories are:  
Auschwitz - Welfen - Deeberitz -;  
which were affiliated through proximity with the I.G. factories of the same name.

Whereas the three factories first mentioned are separately marked on the diagram, the latter three are not separated.

- 3) On the diagram generally speaking the various factories are connected with lines to one of the major factories LEUNA, OPPAU, LUDWIGSHAFEN, ROECHST, LEVERKUSEN, DORTMUND and WOLFFEN-PITZ, in order to show their dependence. The absence of any lines is intended to indicate that these factories were in the nature of things more loosely connected with the Sparten than the other factories.

I have read each of the two pages of this affidavit and signed them with my own hand. I have made the necessary corrections in my own handwriting and initialled them. I herewith declare under oath that I have stated the full truth to the best of my knowledge and belief.

(Signature) Dr. ERNST A. STRUSS  
DR. ERNST A. STRUSS

to  
Sworn and signed before me this 22 day of August 1947 at Frankfurt/M., Germany, by Dr. Ernst A. Struss, known to me to be the person making the above affidavit.

(Signature) OTTO HEILBRUNN  
DR. OTTO HEILBRUNN  
ETC 30140  
OFFICE OF CHIEF OF COUNSEL FOR WAR  
CRIMES U.S. War Department

CERTIFICATE OF TRANSLATION

5 September 1947

I, SIMEEL HORN, AGO No. 443113, hereby certify that I am a duly appointed translator for the German and English languages and that the above is a true and correct translation of the document No. NI-9923.

SIMEEL S. HORN, AGO No. 443113.

TRANSLATION OF DOCUMENT No. NI-9446  
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES

AFFIDAVIT  
-----

I, Mr. Ernst A. STRUSS, director of I.G. Farbenindustrie Aktien-gesellschaft from 1934 - 1945, Chief of the Office of the Technical Committee from 1926 - 1945, Secretary of the Technical Committee of the Vorstand from 1924 - 1945, head of Sparte II of Vermittlungs-stelle W and from 1943 - 1945 production manager of the whole German dyestuffs industry within the framework of Economic Group Chemical Industry, since 1 December 1945 employee of Control Office I.G. Farbenindustrie (OWG's) APO 157, Postm. U.S. Army, living at Frankfurt/M. "Gruenburgerweg 59, after having been warned that I will be liable to punishment for making a false statement, herewith declare under oath of my own free will and without coercion :

1. The diagram "Plants of the Dynamit Aktiengesellschaft vorm. Alfred Nobel & Co., Troisdorf", which is marked NI-10033 was made according to data furnished by me.
2. The data in the diagram are based on my personal knowledge, on official presentations of I.G. and two studies by the Control Office on DAG on one side and Verwertchemie and Sprengchemie, on the other.
3. Besides the Dynamit Aktiengesellschaft (DAG) and its plants, the diagram shows all home and foreign participations in which DAG, alone or together with I.G., was interested to the extent of 50% or more. The participation of DAG in the Gesellschaft m.b.H. zur Verwertung chemischer Erzeugnisse was 100%. The participation of Dynamit A.G. in Westfälische-Anhaltische Sprengstoff A.G. (WASAG) was 50.5% and in Ammoniakwerk Merseburg 52%. The same degree of participation obtained with reference to WASAG - Chemie A.G. WASAG and WASAG-Chemie A.G. each owned 50% of the capital of Deutsche Sprengchemie G.m.b.H.

(signature)

Ernst A. STRUSS

TRANSLATION OF DOCUMENT No. NI-9446  
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES

(page 2 of original)

4. The plants listed under Verwertchemie, WASAG and Sprengchemie belonged to the Army High Command and were administered by Verwertungsgesellschaft fuer die Montan-Industrie G.m.b.H. (MONTAN). On the diagram next to Verwertchemie are the words "Reich owned, DAG operated". This refers to plants listed under Verwertchemie which were operated by Dynamit-Konzern through Verwertchemie. Similarly, the notation next to Deutsche Sprengchemie G.m.b.H., "Reich owned, WASAG operated", refers to the Montan plants listed under Deutsche Sprengchemie G.m.b.H. and signifies that these plants are operated by Sprengchemie for WASAG.

5. The major plants, i.e. plants whose staff amounted to 7,000 or more persons, are shown on the diagram in bold lettering. Where the diagram makes no mention of the products made at the various plants, these products were either not known or too numerous to be mentioned on the diagram.

6. The personnel of Verwertchemie was at the same time the personnel of DAG. The whole production of the Montan plants listed under Verwertchemie was sold to the Reich.

7. To the best of my knowledge and belief, the diagram is a true presentation of the plants of Dynamit A.G. and the plants operated by the Dynamit-Konzern.

I have carefully read each of the two pages of this affidavit and signed them with my own hand. I have made the necessary corrections and marked them with my initials. I herewith declare under oath that I have told the full truth to the best of my knowledge and belief.

(Signature:) Dr. Ernst A. STRUSS

(signed:) Dr. Ernst A. Struss

Sworn to and signed before me this 7th day of August 1947 at Frankfurt/Main, Germany, by Dr. Ernst A. STRUSS, known to me to be the person making the above affidavit.

(Signature:) Otto HEILBRUNN

(Signed) Dr. Otto Heilbrunn

Civilian, ETO 30 140

Office of Chief of Counsel for War Crimes

U.S. War Department



TRANSLATION OF DOCUMENT No. NI-9446  
CONTINUED

CERTIFICATE OF TRANSLATION  
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22 August 1947

I, Samuel S. HORN, ACC-443 113, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of the document No. NI-9446.

.....  
Samuel S. HORN  
ACC-443 113

AFFIDAVIT

I, Dr. Ernst A. Struss, director of I.G. Farbenindustrie Aktiengesellschaft from 1934 - 1945, Chief of the Office of the Technical Committee from 1926 - 1945, Secretary of the Technical Committee of the Vorstand from 1924 - 1945, Head of Sparte II of Vermittlungsstelle II and from 1943 - 1945 Production Manager of the whole German dyestuffs industry within the framework of Economic Group Chemical Industry, since 1 December 1945 employee of Control Office, I.G. Farbenindustrie A.G. (CHUS) APO 757, Postn. U.S. Army, after having been warned that I will be liable to punishment for making a false statement, herewith declare under oath of my own free will and without coercion:

1. The two maps "Plants of I.G. and Participations", position as in 1932, and "Plants of I.G. Participations and operated Plants" (sic), position as in 1943, have been drawn up according to data given by me. The maps are marked NI-10033 and 10034.

2. I have taken the data contained in the maps from I.G. files, mainly from the files of the Central Committee and of the Technical Committee, as well as the I.G. yearly reports. The 1932 map contains all I.G. plants, the plants of its participations, as well as sub-participations known to me, if the participation or sub-participation amounted to 50% or more. The map for 1943 contains, in addition to those factories, all plants which were operated by I.G. participations or sub-participations.

The maps do not contain plants which were planned but whose construction had not begun at the time in question.

In 1932, no plant was operated by I.G., its participations or sub-participations, which was not owned by the I.G.-Konzern.

(signature) Ernst A. Struss

(page 2 of original)

3. Both maps list the plants in three different groups according to size. The smallest sign has been used for small plants, i.e. plants with a staff of up to 600, the medium-sized sign has been used for medium-sized plants, i.e. for plants with a staff of 600 - 7,000 and the large sign for plants with a staff exceeding 7,000.

4. For reasons of space, only the most important products have been listed for each plant. Mines are marked on the map with crossed hammers.

5. To the best of my knowledge and belief, both maps are a true presentation of the plants of the I.G.-Konzern.

TRANSLATION OF DOCUMENT No. NI-9445  
CONTINUED

(page 2 original cont'd)

I have carefully read each of the two pages of this affidavit and signed them with my own hand. I have made the necessary corrections in my own handwriting and marked them with my initials. I herewith declare under oath that I have told the full truth to the best of my knowledge and belief.

(signature) Dr. Ernst A. Struss  
(Dr. Ernst A. Struss)

Sworn to and signed before me this 6th day of August 1947 at Frankfurt/Main by Dr. Ernst A. Struss, known to me to be the person making the above affidavit.

(signature) Otto Heilbrunn  
Otto Heilbrunn  
Civilian, ETO 30140  
Office of Chief of Counsel  
for War Crimes  
U.S. War Department

CERTIFICATE OF TRANSLATION

22 August 1947

I, SAMUEL S. HORN, AGO 443113, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of the document No. NI-9445.

SAMUEL S. HORN, AGO 443113.

AFIDAVIT

I, Dr. ERNST STRUSS, Director of I.G. Farben, Chief of TRA Bureau of I.G., Secretary of the Technical Committee of the Vorstand of I.G., Manager of Division II (Sparte II) of the Vermittlungsstelle W, and, since 1943, Production Manager of the entire German dyes industry within the framework of the Economic Group Chemical Industry, after having first been warned that I will be liable for punishment for making a false statement, state herewith under oath, of my own free will and without coercion, the following:

I. In order to be prepared for war I.G., at the request of the Wehrmacht authorities, built a number of stand-by plants. I mention the following stand-by plants:

1. In 1934 I.G. received orders from the Wehrmacht to build a stabilizer plant at Wolfen. The capacity was 5,000 to 6,000 tons a year and the total investment amounted to approximately 20,000,000 marks.
2. In 1937 or 1938 Deuberitz was built for the production of aniline and diphenylamine, both intermediates for the Wolfen plant. The investment amounted to approximately 14,000,000 marks.
3. In 1935 Stassfurt was built by I.G. as a stand-by plant for the Luftwaffe. The yearly capacity was finally 15,000 tons and the total investment amounted to 50,000,000 marks.
4. Further stand-by plants were the plants, Piesteritz, Embson, Langelsheim and Deuberitz for the production of nitric acid. The capacity of these plants and the investment cost are unknown to me.



II. Other plants built by I.G. at the request of military agencies started production immediately after completion. I mention the following plants:

1. The magnesium plant Aken was planned in 1933. Its initial production was 5,000 tons yearly and it amounted later on to 13,000 tons of magnesium and 5,000 tons of aluminum. The total investment was 46,000,000 marks.
2. The Tautschenthal plant was constructed in 1937 for the production of magnesium compounds and a total investment cost of 4,000,000 marks.
3. In 1936 I.G. built the Tetrathyllead plant Gredel with a capacity of 5,500 tons yearly and 3,000,000 marks investment cost for I.G.
4. In 1938 I.G. constructed the nickel and tetrathyllead plant Frose with a yearly capacity of tetrathyllead of 5,500 tons and an investment cost of 6,000,000 marks.
5. In 1936 Schkopau was built by I.G. for the production of synthetic rubber and other products. The annual capacity for rubber was 70,000 tons yearly and the total investment in Schkopau amounted to over 400,000,000 marks.
6. In 1938 Huels was built for the production of 45,000 tons synthetic rubber and some other products at a total investment cost of 260,000,000 marks.
7. In 1939 Waldenburg was constructed for the production of synthetic toluene. The yearly capacity was 40,000 tons of toluene and the investment cost was 15,000,000 marks.

8. In 1940 I.G. built the Heydebreck plant for the production of 80,000 tons of high octane gasoline, 100,000 tons of nitrogen, 80,000 tons of methanol, 32,000 tons of lubricating oil and 25,000 tons of hydrogen peroxide. The total investment was estimated at over 500,000,000 marks.

9. In 1940 I.G. started with the construction of Moosbierbaum for the manufacture of 120,000 tons of high octane gasoline from Rumanian crude oil, 3,000 tons of lubricating oil, 80,000 tons of sulphuric acid, 24,000 tons of magnesium and 30,000 tons of chlorine. The investment costs were estimated at more than 200,000,000 marks.

10. In 1941 Buna III in Ludwigshafen was built by I.G. for the production of 30,000 tons of synthetic rubber. The investments amounted to a cost of 91,000,000 marks.

11. Also in 1941 the construction of Auschwitz started for the production of 36,000 tons of synthetic rubber, 120,000 tons of methanol and 100,000 tons of high octane gasoline. The total investment was estimated at over 700,000,000 marks.

III. In other cases I.G. took the initiative in persuading the Reich authorities of the need for additional facilities and negotiated with them for the construction thereof. This applied especially to the sulphuric acid factory in Wolfen and also to the Leverkusen factory for synthetic tanning agents. In both cases it was the intention of I.G. to make Germany independent of imports. In a number of cases I.G. received special permission from the Reich Finance Ministry to write off the machinery within a period of five years. In other cases especially in Auschwitz and Heydebreck under the terms of the

"Help for the East" subsidies, I.G. could write off its investments under still more favorable circumstances. In fact, a total of over 200,000,000 marks for accessory costs in Auschwitz could be written off within one year after they were incurred.

IIII. In a number of cases I.G. had a particular interest of its own in following the Wehrmacht requests since I.G. wanted to avoid that a competitor would build the plant instead. I remember the following cases:

1. In Zgierz (Poland) I.G. promised to reorganize the dyesuffs factory in 1940 since otherwise the SS would have given competition in this field.

2. In 1941 I.G. took control of Muelhausen-Dornach plant and another Muelhausen plant, both of which produce organic intermediates, in order to forestall any competition.

V. A considerable percentage of the billions of Reichsmarks invested was supplied by the German government.

I have carefully read each of the four pages of this declaration and have signed them personally. I have made the necessary corrections in my own handwriting and initialed them and I declare herewith under oath that I have given the pure truth to the best of my knowledge and conscience.

signed Dr. Ernst Struss.

Sworn to and signed before me this 3 day of June 1947  
at Frankfurt/Main by Dr. ERNST STRUSS known to me to be  
the person making the above affidavit.

signed Dr. Otto Heilbrunn  
Civilian ETO 30140  
Office of Chief of Counsel  
for War Crimes U.S. War Department.

" A CERTIFIED TRUE COPY"

- 4 -  
E N D

-- TRANSLATION OF DOCUMENT No. NI-5619 --  
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES

-- AFFIDAVIT --

I, Dr. Herbert Märock, present domicile Huertth near Cologne, Dr. Kuertenstr. 21 to 23, after having been warned that I shall be liable to punishment for making a false statement, herewith declare the following under oath of my own free will and without coercion.

1. In the year 1933 I joined the Army Ordnance Office, at first as assistant consultant and then as consultant in the Economics Department for chemical raw materials. In 1935 or 1936 I was taken over, together with this department, into the Military Economy Office which at that time was being newly established. In 1936 I was appointed there as Regierungsrat and in 1938 promoted to Oberregierungsrat in the Raw Material Department. In 1943 I left the Military Economy Office and the Government Service.

2. The General Staffs of the Wehrmacht branches informed the Ordnance Offices of their requirements of arms, ammunition, and other war equipment on the basis of their mobilization plans. The Ordnance Offices in their turn investigated the requirements of raw materials and preliminary products needed for it in case of mobilization and passed on these figures to the Military Economy Office, Section Raw Materials, in order to secure these raw materials. Thereupon the Raw Material Section of the Military Economy Office established the supply situation in the event of mobilization for each of the products in question. Whenever a deficiency in mobilization supplies resulted from this, the Military Economy Office instructed the Reich Ministry of Economics to meet this deficiency. Within the scope of my work in the Military Economy Office I became acquainted with the following stand-by plants, projected and or constructed before the outbreak of war in 1939, which were to be run by I.G.:

a. for highly concentrated nitric acid

Boeberitz  
Wölfen  
Mozlbeck-Emsen  
Langelsheim  
Linz  
Heydebreck

(page 2 of original)

b. for sulphuric acid:

Wölfen

c. for chlorine:

Huels  
Gendorf

d. for methanol and toluene:

Waldenburg.

3. In addition, I knew of the following stand-by plants which were planned or erected previous to the outbreak of war and which dealt with products outside the sphere of my work:

a. Diglycol:

Wölfen  
Gendorf



TRANSLATION OF DOCUMENT No. NI-5619  
----- CONTINUED -----

(page 2 of original cont'd)

b. for explosives and gun powder:

Allendorf  
Christianstadt  
Hessisch-Lichtenau  
Malchow  
Dobingen  
Clausthal  
Doberitz  
Dornitz  
Ebenhausen  
Giesen  
Hohensaaten  
Kaufbeuren  
Kaufering  
Mühlendorf  
Ueckermünde  
Wolfratshausen  
Elsnig  
Torgelow  
Klitz  
Möschwig  
Oderberg  
Forst  
Kreibitz

c. for Magnesium:

Stassfurt

d. for chemical warfare agents:

Amendorf  
Huels.

The above list is possibly incomplete, as written records are no longer at my disposal.

I have carefully read each of the 3 (three) pages of this declaration

(page 3 of original)

and signed them with my own hand, I made the necessary correction in my own handwriting and initialled them with the first letters of my name and I herewith declare under oath that I have told the absolute truth in this affidavit to the best of my knowledge and belief.

signature: DR. HERBERT MURECK  
DR. HERBERT MURECK

Sworn to and signed before me this 14th day of August 1947, at the Palace of Justice, Nürnberg, by Dr. Herbert Mureck, known to me to be the person making the above affidavit.

signature: DR. OTTO HEILLER  
DR. OTTO HEILLER, ETO 30140  
Office of the Chief of Counsel  
for War Crimes  
US War Department.

TRANSLATION OF DOCUMENT No. NI-9619  
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CONTINUED  
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CERTIFICATE OF TRANSLATION

29 August 1947

I, ARTHUR MACNAMARA, Civ. No. 20191, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of the document No. NI-9619.

ARTHUR MACNAMARA, Civ. No. 20191.

TRANSLATION OF DOCUMENT No. NI-10540  
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES

AFFIDAVIT

I, Dr. Heinrich DINGMANN, born on 15. 3. 1901, chemist of I.G. Farbenindustrie A.G. from 1926 - 1945, head of the department of Sparte I in Vermittlungestelle W, Berlin, since 1936, Abwehr - chief of Vermittlungestelle W, Berlin, since 1937/38, deputy Abwehr-chief in charge of technical matters for the works of I.G. Farbenindustrie A.G., since 1940, GECHem-representative in the Armaments Ministry for the Working Committee in the Special Committee V (Preliminary Products in the Powder and Explosives Main Committee), from 1942-45, "Prokurist" of I.G. Farbenindustrie A.G. since 1941, and at present deputy chief of B.A.S.F./Ludwigshafen, after having been warned that I shall be liable to punishment for making false statements, herewith declare the following under oath of my own free will and without coercion:

1. In 1926, I joined the Badische Anilin and Sodafabrik as chemist. I remained there until 1934 as nitrogen expert. That year, I was transferred to the Sparten Office of Sparte I, where I worked until 1936. In 1936, I was commissioned to go to Vermittlungestelle W Berlin, to take over the management of this office for Sparte I. In that position I had to deal with and supervise all matters of Sparte I.

2. In 1934 - 1936, during my activity in the Opau Sparten Office, I learned for the first time of the existence in Germany of shadow factories or standby plants; I learned this either from files or from oral communications by Dr. GOLDBERG, Oberingenieur FORSTHOFF, Dr. BACK or others. The first shadow factory within the sphere of the nitrogen Sparte was constructed in Doberitz by our Oberingenieur FORSTHOFF, Ludwigshafen Construction Office. In the Sparte Office we knew of the production facilities of this plant, which was to produce concentrated nitric acid for the explosives industry, we knew the amount invested and the owner, namely, the WIFO. (Wirtschaftliche Forschungsgesellschaft).

Before building the Doberitz plant, the WIFO had obtained a preliminary cost estimate, in order to ascertain whether a firm other than I.G.

(page 2 of original)

could construct this shadow factory more cheaply. The "Building Contract" specified that I.G. build according to the latest and most modern methods, that it furnish its experimental data and also subsequent improvements. In return, I.G. received a certain compensation apart from actual building costs, for which it had to render accounts to WIFO. This compensation, a kind of licence, was negotiated with WIFO by Herr FORSTHOFF, in agreement with the Sparte Office which handled all licence agreements in the sphere of Sparte I.

(page 2 of original, cont'd)

3. WIFO was founded as a G.m.b.H. I learned later on that I.G. also had a part in the foundation, to wit, to the extent of RM 5,000 in a foundation capital of RM 20,000.— I do not think that there were other firms besides I.G. who participated in the foundation of WIFO.

4. When, later on, in 1936 I came to Vermittlungsstelle W, I learned further details about shadow factories, WIFO etc.; for example, that the WIFO funds were furnished by the Reich Ministry of Economics, that the orders for the construction of shadow factories came from the OKW-Military Economic Staff (Wehrwirtschaftsstab), and in the last analysis originated in the Ordnance Office, or rather, the General Staff.

5. Upon completion of each shadow factory or stand-by plant, I.G. concluded an "Operational Contract", in addition to the "Building Contract". The former specified the manner of cost accounting, distribution or use of any profits or losses etc. According to instructions of the authorities, I.G., as a private firm, was to suffer no losses for operating Reich-owned shadow factories, on the one hand, but was to be interested in operating as economically as possible through the inducement of profit sharing; on the other hand, excess profits, for instance by increased sales of nitric acid to the explosives industry, were not to be tolerated.

Above all, in these operational contracts for shadow factories I.G. had to pledge itself to keep up the production capacity of the plant and always to preserve its nature of a stand-by plant, i.e. to hold this plant always in readiness to start operations or to "open it up". I.G. had to guarantee this readiness to start operating at any time in case of war or "Mob-Fall" to the WIFO, as well as to the Reich Ministry of Economics and the

(page 3 of original)

OKW and to furnish proof of this by so-called Mob-plans or Mob-calendars for each plant. I presume that other firms which took over stand-by plants for WIFO had to accept the same obligations.

6. Such a Mob-plan for Doebritz already existed in 1936, when I came to Vermittlungsstelle W, Berlin. I believe Drs. RITTER and DICKHILL worked it out, mainly guided by their own principles and ideas. The plan showed, for example, that a trained staff was held ready in Oppau for the Doebritz shadow factory; that the proposed plant manager, Dr. Christoph BECK, was informed of all technical details of the plant, that he inspected the plant from time to time, that he held in readiness and supervised engineer, foremen, crew chiefs and other skilled workers which were listed by name etc. It further showed that certain quantities of raw materials, coal and basic products had been stocked, that the requisite tank cars were in readiness somewhere etc. Looking in a military sense, one had only to press a button, so to speak, in order to start the operation of the shadow factory.



TRANSLATION OF DOCUMENT No. MI-10540  
CONTINUED

(page 3 of original, cont'd)

To my recollection, this Mob-plan for Doerberitz was in the form of a 10 - 20 pages booklet, when I came to Vermittlungsstelle W and apparently it was satisfactory proof of the readiness of the plant for WIFO, the Reich Ministry of Economics and OKW.

7. In the case of the WIFO shadow factory at Embesen, a Mob-plan was not satisfactory proof of operational readiness for the authorities. This factory also was to produce concentrated nitric acid for the explosives industry. It was quite isolated in the woods near Luenzburg and the OKW would not believe that the plant could start operations without any trouble, in case of war, the more so since I.G. and not I.G., had planned and constructed this factory, and I.G. had only been entrusted with the operational management.

Therefore, the authorities demanded that I.G. take over already in peace-time the operation of the Embesen shadow factory, which was done.

(page 4 of original)

Current production in Embesen had to be kept at 1/3 of its capacity, at least, although this resulted in the shut-down of other I.G. plants producing nitric acid. As to the rest, the growing requirements of the Wehrmacht was the reason why Reich-owned shadow factories were put into operation already before the outbreak of war, since existing facilities of private industry were not able to meet the increasing rearmament requirements.

8. As I remember, WIFO only had shadow factories producing raw materials or preliminary products for immediate Wehrmacht requirements, such as concentrated nitric acid and toluene for powder and explosives works. Wehrmacht goods themselves, such as explosives, were produced in shadow factories which did not belong to WIFO but to other Reich-owned companies, such as MOETAN GMBH., which were subordinated to the Ordnance Office. Sparte I of I.G. had little or nothing to do with the shadow factories or stand-by plants of MOETAN GMBH. in the fields of diglycol, stabilizers, penta erythrit, as well as powder, explosives and poison gases, since these products did not belong to the sphere of Sparte I, which included nitrogen methanol, gasoline etc., but to other I.G. Sparten.

9. Another task connected with the construction and operation of shadow factories by I.G. was the countering of espionage and sabotage, by such means as secrecy and camouflaging of factories and their production. I became responsible for this when I entered Vermittlungsstelle W and was appointed Abwehr Officer.

TRANSLATION OF DOCUMENT No. WI-10540  
CONTINUED

(page 4 of original, cont'd)

10. For example, anybody with any experience in these matters could get to know without difficulty the type and size of production in Emsen, - i.e. the capacity of the shadow factory, simply by studying for a few days the tank cars going in and out of the works and which bore exact markings of quantity and content. From this observation, positive conclusions could have been drawn as to the importance of this plant within the scope of the armaments and military economy, and it would have been

(page 5 of original)

easy for the enemy air force to wipe out this militarily important plant by bombing. When I.G. took over the Emsen shadow factory from WIFO, or rather, BawAG, I saw to it that all plain markings on the tank cars were removed and replaced by misleading markings.

All this came within the task set for us by WIFO, the Reich Ministry of Economics and the OKW. In June 1945, after the collapse, when I was working on the sifting and evaluation of GBCheM - files etc. in the headquarters of the U.S. Bombing Survey, Bad Nauheim, I found out that this Abwehr activity of Vermittlungsstelle W must have been to some extent very successful, because plants of extreme importance to the German war economy, such as production plants for concentrated nitric acid, toluene, tetra ethyl lead etc., remained either wholly unknown to the Allies, or, at any rate, their importance was not recognized and consequently, these works mostly escaped bombing.

11. My Abwehr-activity also encompassed works and plants which were built in occupied countries by I.G. during the war such as the "Vaterstadt" and "Mutterstadt" works near Lille, Northern France. There I helped to find favorable sites connected with existing French plants, and saw to it that as few uniformed Wehrmacht members as possible appeared, in order to camouflage the purpose of the product; I separated incoming deliveries of the raw material; the actual production equipment, stocks and outgoing shipments of the finished product from the main manufacturing plant, (coal mines). I made it difficult even for experts to get to know the true chemical processes by introducing camouflage names, such as white salt for ammonium nitrate, G.M. 1 for nitrous oxide etc. and in addition to measures against espionage, I tried to put a stop to sabotage as effectively as I could.

(page 6 of original)

12. I have carefully read each of the 6 (six) pages of this affidavit and signed them. I have made all necessary corrections in my own handwriting and initialed them. I herewith declare under oath that I have stated the full truth to the best of my knowledge and belief.

Signed: Dr. Heinrich DIERCKMANN

(signature)

TRANSLATION OF DOCUMENT No. NI-10540  
CONTINUED

(page 6 of original, cont'd)

Sworn to and signed before me this 4th day of September  
1947 at Nuremberg by Dr. Heinrich DIEKMANN, known to me to be  
the person making the above affidavit.

signed: Peter M. MILLER

Peter M. MILLER

U.S. Civilian AGO D 145338  
Office of Chief of Counsel for  
War Crimes  
U.S. War Department

CERTIFICATE OF TRANSLATION

12 September 1947

I, Samuel S. HORN, AGO 443113, hereby certify that I  
am a duly appointed translator for the German and English  
languages and that the above is a true and correct translation  
of document No. NI-10540.

Samuel S. HORN  
AGO 443113.

TRANSLATION OF DOCUMENT No. RI-7238  
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES

Affidavit

I, Paul Heinrich Dancker, residing in Kronberg in the Taunus, Querte Strasse 16, since 1927 titular director of the I.G., Frankfurt/Main, and since 1931 principal chief of the general accounting office, after my attention was called to the fact that I become subject to punishment if I make false statements, and that failure to state facts is equal to making false statements, hereby state under oath of my own free will and without duress as follows:

As I recall, the founding of the IFO was due to the endeavor of the Reich Ministry of Economics to extend the production of nitric acid, for which the I.G. was not prepared to furnish its own means. For the I.G., as far as I know, took the position that the total facilities available at that time were sufficient to cover the peace-time needs. I therefore surmise that with the help of the Reich Ministry of Economics the IFO was put in a position, by means of Reich funds, to build first of all one and later on still further nitric acid plants, for which the I.G. furnished technical assistance.

I have carefully read the one page of this affidavit and countersigned it in my own hand, have made the necessary corrections in my own handwriting and countersigned them with my initials, and hereby declare under oath that in this declaration I have told the whole truth, according to my best knowledge and belief.

(Signature) Paul Dancker  
(signed) Paul Heinrich Dancker

Sworn to and signed before me this 7th day of June 1947, at Kronberg by Paul Heinrich Dancker, known to me to be the person making the above affidavit.

(Signed) Dr. Otto Heilbrunn  
Civilian No. 30140, OCC C

CERTIFICATE OF TRANSLATION

21 July 1947

I, Herbert ROECK, No. B 397944, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of the document No. RI-7238.

Herbert ROECK  
No. B 397944



TRANSLATION OF DOCUMENT No. NI-9478  
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES

AFFIDAVIT

I, Dr. Botho Mulert, Regierungsrat in the Reich Ministry of Economics from 1922 until 1925, Oberregierungsrat there from 1925 until 1930, Ministerialrat in the same Ministry from 1930 until 1938 and Ministerialdirigent there from 1938 until 1944, now domicile at Minden Westphalia, Bachstr. 44, after having been warned that I shall be liable to punishment for making a false statement, herewith declare the following under oath of my own free will and without coercion:

1) From 1922 until the end of 1933 or 1934 when I took charge of sub-division Mineral Oil, I was consultant for Chemistry in the Reich Ministry of Economics. I kept this department until 1938; from that time onward I was again in charge of sub-division Chemistry.

2) The Wigo was created with the participation of the Reich Ministry of Economics. One of its tasks was to store motor fuel and to construct factories for the production of sulphuric acid and hydrochloric acid. With the creation of these new facilities the peace time requirements for these products were in my opinion exceeded. As far as I knew all these plants were run by I.G..

I have carefully read this one page of this affidavit and counter-signed it with my own hand, I have made the necessary corrections in my own handwriting and initialled them with the first letters of my name and I herewith declare under oath that I have told the pure truth in this declaration to the best of my knowledge and belief.

signature: DR. BOTHO MULERT  
DR. BOTHO MULERT

Sworn to and signed before me this 11th day of August 1947 at the Palace of Justice, Nurnberg, Germany, by Dr. Botho Mulert, known to me to be the person making the above affidavit.

signature: DR. OTTO HEILBRUNN  
DR. OTTO HEILBRUNN  
ETO 30140  
Office of Chief of Counsel for  
War Crimes  
US War Department

CERTIFICATE OF TRANSLATION

26 August 1947

I, LEONARD LAWRENCE, ETO-20138, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of the document No. NI-9478.

LEONARD LAWRENCE, ETO-20138.

WIRTSCHAFTLICHE FORSCHUNGSGESELLSCHAFT M.B.H.  
(Economic Research Association)  
Berlin W 8, Franzoesische Strasse 17

Telephone  
17 66 41

Bank Account  
Deutsche Bau- und Bodenkreditbank  
Aktiengesellschaft Berlin

To the  
IG Farbenindustrie A. G.

Frankfurt on the Main  
Grueneberg Platz 20

| Your Reference | Your Letter of | Our Reference | Date         |
|----------------|----------------|---------------|--------------|
|                |                | Dr.g/Fr       | 9 April 1937 |

SUBJECT: Extension of the Claus Factory/Contract.

We refer to the contract concluded between yourselves and us concerning the extension of the new plant in Wolfen and Deberitz.

We confirm that the new plants to be set up will be erected solely for the purposes of the Wehrmacht, that is for the "A-Fall", and that it would be contrary to the meaning of the contract if the products manufactured in the new plants were used for other purposes as well, or if they were used for the purposes of the Wehrmacht, so long as the requirements of the Wehrmacht can be fulfilled by the IG from its former factories.

We further confirm that through the achievements of the WIG in accordance with this contract IG does not assume the character of a subsidized undertaking in the sense of Part I, Chapter V, Paragraph 1 of the Reich President's decree for the stimulation of economy, of 4 September 1932 (Reich Legal Gazette, Page 425).

Heil Hitler!  
Wirtschaftliche Forschungsgesellschaft  
m.b.H.

Signature:

per pro  
2 illegible signatures.

CERTIFICATE OF TRANSLATION

1 July 1947

I, VICTORIA CRON, 20129, herewith certify that I am thoroughly conversant with the English and German languages; and that the above is a true and correct translation of excerpts from document No. NI-4498.

VICTORIA CRON  
20129

"END"

TRANSLATION OF EXCERPTS FROM DOCUMENT No. NI-7711  
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES

RESTRICTED

Interrogation No. 1271

Requested by: Mr. LYON and  
Mr. SEARS.  
Section: Industrialists.

INTERROGATION  
of Heinz SCHMIED-LOSSBERG  
on 6 May 1947 from 16.00 to  
17.00 hours by Mr. Eric KAUFMANN.  
Stenographer: TSCHERCH.

1.Q. You have not yet spoken with anyone here ?

A. No.

2.Q. I want to ask you a few questions under oath. You know the significance of an oath ?

A. Yes.

3.Q. I wish to place you under oath. Please rise and raise up your right hand and repeat after me:

A. I swear by Almighty God that I shall tell the whole truth, without additions or omissions.

(page 7 of original)

29.Q. Did you have any sort of connections with the Diwek ?

A. None. The relationships with the Montan Industriewerke G.m.b.H. in Berlin do not exist as far as corporation law is concerned, but only through a certain personal union in the conduct of the business. Dr. ZEIDELHACK, who had been the leading general director of the Montan practically since its foundation, was recalled about the summer of 1943 at the instigation of SPEER.

30.Q. Why, what was the matter ? After all, he had been in it from the beginning.

A. I do not know the reasons for this.

31.Q. Do you know where he is now ?

A. He is probably in Munich. The Montan-Industrie-Werke G.m.b.H. is a Reich company, which came under the Reich treasury Army and Army Ordnance Office, since, because

TRANSLATION OF EXCERPTS FROM DOCUMENT No. NI-7711  
CONTINUED

(page 8 of original)

of the short notice on which ZEIDELHACK was recalled, a final replacement was not so quickly available either through the Armaments Ministry or the Army Ordnance Office, I was provisionally given charge of the business, with restriction to a transitional period of about 3 months. After about 4 to 6 months - I do not know the exact time, but it can be determined at any time from the Commercial Register and the Berlin files - Ministerialrat Dr. GÄSER was ordered to be chairman of the business management.

32.Q. Were entries actually made in the Commercial Register ?

A. Yes. From this time on I practically no longer carried on any function in the Montan, but my name was not removed from the Commercial Register and I also continued to participate once in a while in meetings of the Aufsichtsrat and a few Vorstand conferences. The total Vorstand consisted of: Ministerialrat Dr. GÄSER, chairman of the business management, with sole authority to give orders.

33.Q. From the Ministry of Economics ?

A. From the Reich Finance Ministry. He also went to Ilmenau. In the case of disagreement in the Vorstand the chairman cast the deciding vote.

Then there was also Ministerialrat Dr. SCHIFFLER (Army Ordnance Office) and then myself. The deputy Vorstand was Dr. BAUMGAERTNER, Dr. BIRKMEIER, Director BARTSCH and still a further member of the Vorstand, whose name I do not recall.

34.Q. Did you have an Aufsichtsrat or a Verwaltungsrat ?

A. The Aufsichtsrat consisted of about the following persons: There was no official chairman. The deputy chairman was Professor Dr. HETTLAGE, General SCHRICKER, later on General KLEINSCHROTT (both from the Army Ordnance Office), General Director (I do not know his name) of Rheinmetall Borsig.

35.Q. Now I am interested in the Montan in a construction, the so-called operating companies, which Montan had by preference established with and without participation of the companies. What was the reason for this operating company, how was it established; explain as simply as possible.

A. I have to go back farther, otherwise an explanation is not possible.



(page 9 of original)

The matter looked to me as follows: The Army gave orders. The producer was the normal free industry. The orders increased. Either facilities were still free in the industry or the time allowed for delivery became longer or the plants enlarged their facilities with their own funds or, when the plants partly a) had neither the funds or b) did not want to use available funds for an enlargement of the plant, they declared that they were not in a position to make delivery by the time set, or to take the orders at all. In such cases, the Army Ordnance Office was then forced either to grant credits under the so-called mobilization clause of the industry, in order to finance the expansion of the facilities in this way, or the Army Ordnance Office had to erect production plants of its own. But since, as a matter of principle, the Reich did not want and was not supposed to produce, it caused these operating plants to be erected through the cooperation of the industry at the expense of the Reich, and after completion transferred them to the Montan for management in trust.

36.0. Did the Montan lease ?

- A. Two kinds of contracts were then closed, a so-called blanket contract and a lease. The blanket contract was concluded between the Montan and the so-called parent plant, for instance I.G. Farben, Flick, Rheinmetall and others. In this contract the parent plant had to agree to establish an operating company for the operation of the works turned over to it, with the object of a clearer delimitation of accounting; to guarantee all obligations of this operating company towards the Montan as well as towards the Reich; and to equip the operating companies to the required extent financially as well as technically. It also had to furnish them with personnel and to make available for them all facilities, such as patents, etc., which were required for production. The lease was then concluded between the Montan and the newly established operating company. The operating companies were established with a basic capital amounting to between 50,000 and 200,000 marks that was out of proportion to their tasks. The operating company

(page 10 of original)

then had to pay rental to the Montan, which was composed of a) the so-called "earned write-offs" and b) 50% of the net profits in each case. The rate of 50% was the one generally customary of late; in the beginning lower rates, about 20 - 30 %, had often been agreed on. It appears from this that the industry did not want to, or could not, carry a risk for reduced operation of the plants or for a temporary or, long stoppage of the works. In addition to the above-named category of plants the Army

(page 10 of original cont'd)

Ordinance Office then also erected plants the taking over of the risks of which could never be demanded of industry. I am thinking now of plants such as those which were used for the production of explosives and similar substances. These plants were, partly put into operation only at the beginning of the War and were so intended; they were therefore definitely shadow plants.

37.Q. But most of these contracts included a purchase clause.

A. I do not believe so.

38.Q. Quite a number of these contracts were redeemed.

A. I conducted them for the most part, I cannot say this was exclusively so, on the basis of contractual agreements.

39.Q. They approached you?

A. No, on the contrary. That was also a reason. The Armament Ministry was of the opinion that it was not the business of the State itself, to produce.

40.Q. That was under SPEER?

A. Yes.

41.Q. And in connection with the contracts?

A. There the Reich, from a business and economic viewpoint, had no influence on the shaping of these operating companies. We made the offer to industry to take over these plants, and in a number of cases we were able to dispose of some.

42.Q. Then you got together and said so and so much and then all rights of the Montan were invalidated and they were free property?

A. Yes.

(page 11 of original)

43.Q. One thing more, why in the case of these operating companies did Montan once have a 50% participation also in the operating company?

A. As a matter of principle the Montan did not participate in operating companies, only with a few exceptions, thus for instance, the Spandau Steel Industry. The historic origin is no longer very familiar to me, because it was before my time. It may be due to the

TRANSLATION OF EXCERPTS FROM DOCUMENT No. NI-7711  
CONTINUED

(page 11 of original cont'd)

the fact, but I must state so with reservations, that, at the request of other industrial interested parties, or on the basis of wishes of the Army Ordnance Office, it was not the intention to attach the steel works completely to the Flick Concern; on the other hand, at that time no one else was ready to conduct the plant which had arisen under such unfortunate circumstances. Hence the solution of 50% Flick and 50% Montan, was arrived at. The ownership of the total plants was exclusively that of Montan and of the Army Ordnance Office.

44.Q. Did that remain so ?

A. No. 1% of Montan was <sup>only/</sup> transferred to Flick in trust, but without voting right and participation in profits. The reason was that a 51% participation by Flick was convenient for tax purposes and association matters.

45.Q. That is an interesting interpretation of the whole story. Now another question yet with regard to you personally. Did you belong to the party ? When and where ?

A. Yes, since 1938, without office.

46.Q. SS or SA ?

A. Nothing. Only normal membership in the Arbeitsfront, etc.

47.Q. Thank you, that is all for today.

(In handwriting) I affirm under oath that I made the stenographic record of the foregoing interrogation.

(signed) Charlotte TSCHERCH.

Nuernberg, 8 July 1947

(In handwriting)  
I certify that this is a correct transcript of interrogation of Heinz Schmied-Lossberg, held on 6 May 1947

Nuernberg, 9 July 1947

signature: ERIC KAUFMANN

TRANSLATION OF EXCERPTS FROM DOCUMENT No. NI-7711  
CONTINUED

CERTIFICATE OF TRANSLATION

5 August 1947

I, Herbert RODECK, Civ. No. 397 499, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of the document No. NI-7711.

.....  
Herbert RODECK  
Civ. No. D-397 499



AFFIDAVIT.

I, Ministerialdirigent a.D. (retired) Dr. Max ZEIDELHACK, at present residing in Munich, Von der Pfordtenstr. 25, from 1934 first clerk, then Regierungsrat and Oberregierungsrat in the Army Ordnance Office (Heereswaffenamt), from 1935 Ministerialrat there and from 1940 to January 1945 Ministerialdirigent in the Army Ordnance Office, having been warned that I render myself liable to punishment for any false statement, hereby declare voluntarily and without coercion as follows: -

1. From 1938-1943, I was departmental chief of the Works Economy Department (Abteilungsfür der Betriebswirtschaftlichen Abteilung), which dealt with commercial matters and industrial contracts. From 1935 to January 1943, I was also the leading business manager of the company Verwertungsgesellschaft fuer Montanindustrie G.m.b.H., whose shares were in the hands of the High Command of the Army (OKH).

2. The I.G. and the DAG approached the Army Ordnance Office in a number of cases with the object of persuading them of the necessity of certain building projects and of obtaining the building order. This applied especially to the I.G. Work Huels, where first a diglycol factory and then a factory for the production of chemical warfare agents were erected. It also applied with regard to the Bavarian area south of the Danube, where, at the suggestion of the DAG, the latter were given by the Army Ordnance Office the job of building and running the 6 Montan works of Kriiburg-Muehlhof, Wolfstschäusen, Rohlingen, Schrebenhausen, Munich and Ebenhausen. The unusually strong participation of the I.G. and the DAG in the building projects of the OKH (High Command of the Army) was based principally on the fact that these firms disclosed a particularly pronounced initiative in finding building sites and in the drawing up of specific plans. Without the intensive co-operation of the I.G., including the DAG, and its experience and initiative, the carrying out of the chemical projects of the Army would have been impossible.

3. In other cases, the initiative was directed to the expansion programme of the Army Ordnance Office. This applied especially to cases

( page 2 of original )

where, in consequence of the lack of raw materials, other base and transition products had to be used for manufacture than those hitherto employed. It became in the Army Ordnance Office almost a matter of course, when planning in the Chemical sector was concerned, to approach the I.G. exclusively. The reason for this was that the I.G. were unsurpassed in the field of research and development of army-essential materials. This fact was strikingly expressed

( page 2 of original, cont'd )

in the situation that, out of a total of 76 chemical projects of the Army Ordnance Office, no less than 75 were executed by the I.G. and either operated, or controlled by them.

4. Billions were placed by the Reich at the disposal of I.G. and its affiliated companies for the carrying out of the projects of the OKH. Like the two other branches of the Wehrmacht, the Army also had tried and carried out the financing of manufacturing projects on quite separate legal bases. The following kinds of financing were actually used in connection with projects of the OKH in contracts with the I.G. and its subsidiary companies :

a. Army-owned Projects ( Montan Plants ).

The Verwertungsgesellschaft fuer Montanindustrie G.m.b.H. ("Montan"), was a company of which the shares were in possession of the OKH. It was established in 1934 for the sole purpose of commercially supervising the armament production in works built with Army funds and of administering the real estate.

An omnibus agreement ( Mantelvertrag ) was concluded between the parent firm, for example, the D.A.G. and the OKH. In this omnibus agreement, the parent company undertook to build the plant with Reich funds and to appoint a subsidiary company as the operating firm. This subsidiary company - for example, the Verwertchemie - then took out a lease with the Montan for 15 or 20 years. The subsidiary company bound itself in this contract to carry on the factory with its own working capital. The Montan had a participation in the profits.

The entire investment capital was thus provided by OKH, while the working means were furnished by the subsidiary firm.

( page 3 of original )

At the end of 1942, the Montan was administering 108 plants in the metal-processing and chemical sectors. Of these, 76 plants were of a chemical nature. 75 of these chemical plants were run by the I.G. and its subsidiary firms, viz., 6 actually by the I.G. itself, 6 by the D.A.G., 32 by the Verwertchemie, 9 by the Sprengchemie, 5 by Wolff & Co., 5 by Ionolwerk and so on.

The land and also the buildings and plant equipment for the Montan works as a rule belonged to the Reich. When, in exceptional cases, a Montan works was to be affiliated to an existing I.G. factory and built on ground belonging to the I.G., a leasehold agreement ( Erbbaurecht ) was concluded with the I.G., for the security of the Reich, as, for example, in the case of Huels, Schkopau, "olfen and Doeberitz.

( page 3 of original, cont'd )

The I.G. insisted on this form of financing in all cases where the production was war material and no assured peacetime market could be expected.

b. Own financing.

If it was a question of themselves financing the extension of existing or the building of new plants, the I.G. would agree to do this only if there was a prospect of their ersatz products superseding the existing natural production in Germany. This was the case with the production of synthetic gasoline, the ersatz of cotton articles by buna, the saving of tin by phenol products and the winning of oil from coal. What the I.G. may have received from the Ministry of Economy or other offices in the way of guarantees, subsidies, tax remissions etc. in connection with the above products, is not within my knowledge.

c. So far as I am aware, no other forms of financing came into consideration when contracts were concluded between the OKW and the I.G. As it did not wish to fall into the category of subsidised firms, the I.G., up to 1942, had, in particular, availed itself neither of the possibility of non-interest-bearing loans, nor of non-returnable allowances in its contracts with the OKW. Neither did the I.G. erect any contractual plants for the OKW.

( page 5 of original )

I have carefully read through and signed with my own hand each of the four ( four ) pages of this Declaration, have made the necessary correction in my own handwriting and initialed them and I hereby declare under oath that in this Declaration I have told the absolute truth to the best of my knowledge and belief.

( Signature ) Dr. Zeidelhack Max  
Dr. Max ZEIDELHACK

Sworn to and signed before me this 31st day of July 1947 at the Palace of Justice, Nuernberg, Germany, by Dr. Max ZEIDELHACK, known to me to be the person making the above affidavit.

( Signature ) Otto Heilbrunn  
Dr. Otto HEILBRUNN  
ETO 30140  
Office of Chief of Counsel  
for War Crimes  
U.S. War Department

TRANSLATION OF DOCUMENT No. NI-9192  
CONTINUED

CERTIFICATE OF TRANSLATION

26 August 1947

I, Anne MARTIN, No. E 00646, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of the document No. NI-9192.

Anne MARTIN  
No. E 00646



(Translator's Note: Pencil notations:  
EM

Martin

(Initial) H. (for Huenecke?)

"Montan" Scheme

Contracting Parties:

- 1.) Deutsches Reich (Reich Exchequer Army)-OKH (Supreme Command of the Army)
- 2.) Verwertungsgesellschaft fuer Montanindustrie G.m.b.H. - Montan (Mining)
- 3.) I. G. Farbenindustrie A.G.

Contents of part-agreements:

- 1.) Cover agreement between OKH and I.G.

Order of OKH to I.G. to erect a plant - for the manufacture of a certain quantity of products listed in detail on a site belonging to I.G. and for which "Montan" is to have the building inheritance right,

Responsibilities of I.G.: to handle these plants and equipment with the care of a proper merchant and technician, to maintain their good working order, and to commence work at the request of OKH.

For purposes not serving the Armed Forces, the plants may only be used on mutual agreement. With the consent of the OKH, the I.G. may work the plant for its own purposes.

Considering the technical interrelation with other plants of I.G., this plant is only to be managed by I.G.

- 2.) Building-agreement between OKH and I.G. contains the building order itself.

In erecting this plant, I.G. undertakes the responsibility of exercising the greatest possible economy and speed, to use the care of a proper merchant and technician and for the purpose to apply all patents, processes and "know how" available.

Responsibility of I.G. to procure all the necessary licenses from the trade supervision board and other authorities.

I.G. to submit estimates of cost according to a fixed scheme and continually receives advance payments from "Montan".

Purchase of apparatus in the name of I.G. for account of OKH.

As far as disbursements are concerned, I.G. receives building interests at a rate of 1 % higher than the rate of discount charged by the Reichsbank.

After completion of the building joint negotiations.

As remuneration for costs of administration I.G. to receive 3 - 6 % of of the costs of building.

- 3.) Building inheritance agreement between "Montan" and I.G.

Patent letter covering building inheritance right to the estate in question.

I.G., using the care of a proper merchant and technician, is responsible for it that on conclusion of the agreement, the building inheritance sites are suitable for the projected plant;

(Page 2 of original)

beyond this, it has no responsibility for certain conditions of the site. Duty to report if circumstances become known which make the suitability of the site doubtful.

The building inheritance right to be sold or encumbered only by agreement with I.G. Building inheritance interests to be  $3 \frac{1}{2} \%$  of the standard taxable value plus taxes and liabilities of the estate.

The building inheritance right to be valid for a term of 30 years. If need be, notice may be given before the termination of the agreement if the lease expires sooner and is not replaced by another one.

On expiration of the building inheritance right, it will be jointly ascertained whether and to what extent the plant may be used industrially by I.G. In the affirmative case I.G. to agree to pay the current price fixed in common agreement. In the negative case "Montan" to see to it that the plant is pulled down and the ground is returned in a fit state for building thereon.

Entering into the register of land property and into the register of building inheritance.

Costs to be borne by "Montan", which is exempted from law charges.

4.) Lease agreement between "Montan" and I.G.

"Montan" to lease the complete plant to I.G. which will treat it with the care of a proper merchant and technician, and maintain it ready for taking into use at any time and to have renovations made at the request of OKH.

Insurance agreements only to be concluded if legally required or especially asked for by "Montan". I.G. may cover its liability by insurance. As long as the plant is not working, "Montan" to pay for the costs of up-keep including rates and taxes and any insurance premia. For this I.G. to charge its actual outlays without profit, plus  $2 \%$  for general expenses. "Montan" to be responsible for any possible loss caused by its refusal to do maintenance work which I.G. considers necessary.

If the plant is working partially with more than  $40 \%$  of its capacity the cost of maintenance to be accounted for in the prices, if working under  $40 \%$  these costs to be refunded by "Montan" proportionately.

If executing orders for the Armed Forces, the prices for production to be calculated as follows:

- a) cost of material (at actual cost prices, semi-manufactured and intermediary products of I.G. at lowest market price).
- b) cost of production (wages, general manufacturing costs, electric power at I.G. works' prices, cost of insurance, special costs, etc.)
- c) cost of packing and shipping
- d) depreciations ( $5 \%$  for buildings,  $10 \%$  for machines and apparatus,

which wears out or becomes obsolete within a short time, etc.)

CERTIFICATE OF TRANSLATION

I, DOROTHEA L. GALEWSKI, M.P. No 34079, hereby certify that I am thoroughly conversant with the English and German languages; and that the above is a true and correct translation of Document No. NI-4491

Dorothea L. GALEWSKI  
M.P. No. 34079

( E N D )

SECRET!

1. This is a state secret within the meaning of Article 88 of the Reich Penal Code.
2. To be passed on only under seal, and if mailed, by registered post.
3. To be kept on the responsibility of the recipient under safe lock.

File-Memorandum

on the conference at Treisdorf on 31 January 1939.

|   |                  |
|---|------------------|
| Those present were: Ministerialrat Dr. Buhl | Frankfurt        |
| Director Dr. Schmidt                        | } DAG, Treisdorf |
| Assessor Grillo                             |                  |
| Dr. Boeckler                                |                  |
|   | Ludwigshafen.    |

Reich Factories General:

Preamble:

By "Montanschema" in the context of the following statements will be understood that the parent company builds a factory on the order of the Army Ordnance Office. The factory belongs to the Reich. The parent company founds a "daughter" company which then leases and operates the factory built by the "parent". The rent consists of a percentage of the lessee's gross profits from the plant.

By "I.G. Schorn" will be understood that only one company contracts with the Reich for the building as well as for the lease; that it is intended not to found one particular company for the leasing and the operation. The rent is not based on the profits from the factory, but on the amortization and interest necessary to the factory.

At Dr. Buhl's request, Dr. Schmidt described in detail the historical development of the cooperation between DAG and the Army Ordnance Office and its result. The cooperation between DAG and the Reich goes much further back than the cooperation between the I.G. and the Reich. Formerly the conditions of the contract between DAG and the Reich were irregular. Only in the course of time has the Montanschema grown up.

(page 2 of original)

All the independent production plants set up by the DAG are to be dealt with under this scheme. In as much as plants are available in the DAG works themselves which were at one time financed by the Reich, special rulings apply. The aim that such plants be taken over by the DAG. In any case the "Montanschema" does not apply here.

The daughter company of the DAG concerned, is the Gesellschaft zur Verwertung chemischer Erzeugnisse n.b.H. (Company for the exploitation of chemical products). Its company capital consisting of RM 300,000 is entirely held by the DAG. Only officials of the DAG are appointed as



(page 2 of original cont'd)

managers. The Aufsichtsrat consists of the Vorstand of the DAG and the Ministerialräte Drs. Zahn und Zoidelhack of the Army Ordnance Office.

Dr. Schmidt mentioned at the same time that the Masag worked on the "Montanschema" as well, and accordingly the daughter company of Masag was the Deutsche Sprengstoffchemie Gesellschaft m.b.H. This company had previously been a joint undertaking of DAG and Masag but now belonged entirely to Masag.

DAG's experiences of the "Montanschema" are favorable. The fact that two gentlemen of the Army Ordnance Office are on the Aufsichtsrat of the Verwertungsgesellschaft has merely formal significance. Both these gentlemen attend meetings of the Aufsichtsrat and of the partners of the company but do not exercise their authority as members of the Aufsichtsrat in any inadmissible or even disagreeable way. (The assertions made some time ago by Dr. Engelhard of Orgacid on the same point were thus confirmed by Dr. Schmidt.)

The "Montanschema" lays down that a share of from 33 1/3 % to 50 % of the gross profits from the plant, as shown on the balance sheet shall be paid to the Reich as rent. The fixing of the rent level could naturally lead to the minute examination by the Reich of the balance sheet drawn up by the daughter company, and in addition, to the individual examination of the actual costs and the selling prices of the goods produced. According to Dr. Schmidt this constitutes no particular danger for the DAG, as the Reich is connected with the DAG products and their production costs apart from this, and would, if occasion arose, operate the factories itself.

(page 3 of original)

This last view-point plays a considerably greater part in relation to the Reich factories taken over by us, as the products of our Reich factories fall within the province of our intermediate products, which are primarily of importance from the angle of private enterprise, and we do not desire the actual costs and selling prices to be submitted to the possibility of Reich control. On these grounds preference is to be given, for our factories, to the "I.G. Schenck" and the "Montanschema" is to be, as far as possible, rejected.

Apart from this the "Montanschema" presents yet another difficulty for our factories: the "Montanschema" can be utilized when a factory is set up as an independent entity and is dependent upon itself alone. Our factories, however, - with the exception of Trostberg - are either built directly adjoining one of our works or in the midst of them, e.g. Huels, Schkopau, Wolfen. It is not apparent why the general conditions for the Reich factories should be further complicated by the introduction of new companies, for instance the appearance in Schkopau of a third company in addition to the I.G. and the Buna Works. This would necessitate a series of further, intricate agreements, e.g. with regard to power, railroad connections etc.

In conclusion, it can be established as the outcome of the discussion in Troisdorf, that despite the favorable experience of the DAG we are to

TRANSLATION OF DOCUMENT No. NI-5685  
CONTINUED

(page 3 of original cont'd)

reject the "Montanschema" and adhere to the I.G. Schenn. This is to be talked over with Dr. Zoidelhack, the father of the "Montanschema" and chief of I.Rue 10.

For the rest, the DAG has constantly had the same experiences as ourselves in its dealings with Army Ordnance Office. The correspondence drags slowly on. The contract negotiations are protracted. The most grotesque situation is that the building contract has not yet been signed for a factory which has already been in production for two years.

To Director Dr. ter Meer, Frankfurt,  
Ministerialrat Dr. Buhl, Frankfurt,  
Director Dr. Ambros, Ludwigshafen.

2 March (Initial) B.

CERTIFICATE OF TRANSLATION

27 May 1947

I, BERYL C. BESICK, No. D 427459, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of the document No. NI-5685.

.....  
BERYL C. BESICK  
No. D 427459

- 3 -  
"END"

42

TRANSLATION OF EXCERPTS FROM DOCUMENT No. NI-7772  
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES

(page 1 of original)

C O P Y !

Pencilled note :  
Klietz & Moschwig

A n n e x 2/

B e t w e e n

the German Reich (treasury of the Reichwehr - National Defense Forces), represented by the Minister of National Defense - hereafter briefly called "Rw.M" -

and

the Westfaelisch-Anhaltische Sprengstoff-/Aktiengesellschaft Chemische Fabriken, Berlin .9, Linkstr.25, represented by Dr. Matthias, Generaldirektor - hereafter briefly called "Firma"

the following omnibus-contract is being concluded:

Art. 1.

(1) By order and for account of Rw.M., but in its own name, Firma undertakes to establish a plant for the manufacture of Nitroglycerine, Nitroglycerine-raw powder material and Nitroglycerine-powder without solvents on the site placed at its disposal on the basis of a lease contract to be concluded and according to its experiences, guaranteeing a manufacture of 1,000,000 kos. Nitroglycerine-powder without solvents, i.e.

600 metric tons Nitroglycerine tubular powder with a thickness of wall of 2mm,

300 metric tons Nitroglycerine-powder in the form of flakes 10:10:1,5 and

100 metric tons Nitroglycerine-powder in the form of flakes 4:4:1

in 25 days at triple shifts.

A plant for the manufacture of the requisite Nitrocellulose is not to be established.

(2) The plant is to be constructed according to the

TRANSLATION OF EXCERPTS FROM DOCUMENT No. NI-7772  
CONTINUED

(page 2 of original)

manufacturing process of the Reinsdorf works; however, it has to be provided for, that instead of Nitroglycerine, Nitrodiglycol can also be used, providing that up to the construction of the Nitroglycerine-plant the process of the large-scale manufacture of Nitrodiglycol has been tested in practice.

(3) When constructing the plants, the requirements for a protection from air-raids must extensively be taken into account. Consequently, the following is especially to be considered:

- a) The plant is to be divided into 2 completely independent operating units locally separated from each other, with a capacity of 500,000 kos. Nitroglycerine powder for each operation unit (specified according to (1)).
- b) Similar plants of the two operating units have to be arranged for as distant from one another as possible,
- c) Steam- and water pipe lines, as well as electric cables have to be arranged in a ring system,
- d) roof construction of the most essential buildings has to give protection against incendiary bombs,
- e) all buildings have to be equipped with black-out appliances,
- f) the state of the woods has to be preserved, if possible,
- g) concrete air-raid shelters have to be constructed for the active and passive personnel.

Art. 2.

(1) All expenditure arising to Firma from the purchase of the grounds, the drafting, construction, administration, and upkeep of the plant will be borne by R.W.M.

(2) The supply of the Nitrocellulose required for the

manufacture of the powder will be taken over by R.W.M.

Art. 3.

(1) The determination of the grounds, the carrying through of its purchase, and the construction of the plant will be settled by individual contracts, to which the stipulations of this contract will apply.

(2) The completion of the plant is to be effected in several constructional stages. Decisive for this will be the budgetary appropriations which will be at the disposal of R.W.M. No obligations whatsoever concerning the carrying through and the completion of the plan will result herefrom to R.W.M.



TRANSLATION OF EXCERPTS FROM DOCUMENT NO. HI-7772  
CONTINUED

(page 7 of origin 1)

(1) Firma will be entitled to use the equipment of the plant for the production of the Nitroglycerine, of the powder raw material and of the powder for the execution of orders of Rv.M. Before starting the plant, the consent of Rv.M. has, however, to be asked for.

(2) Orders given by third parties may only be executed in the plant after previous consent of Rv.M. has been applied for. The conditions have to be arranged for from case to case.

(page 10 of original)

Art. 19.

(1) If a court of arbitration according to the attached special arbitration contract (annex 2) should not be competent, the Court of Justice in Berlin is competent for disputes resulting from this contract irrespective of the value of the object of the disputes.

(2) Right at the beginning of a legal dispute, the contracting parties have to make applications for exclusion of the public, and the obligation of the parties to the lawsuit to secrecy according to Paras. 172, 174 GVG as well as to careful keeping of the files.

Art. 20.

(1) Firma undertakes to keep secret this contract, the subsequent separate contracts, and the correspondence carried on for their accomplishment, as well as the lists and files belonging to it. Their contents or the individual stipulations thereof are only to be disclosed to the absolutely necessary extent and merely to those persons who have to be entrusted, directly or indirectly, with the dealing with and execution of the contracts.

(2) Firma shall bind the persons referred to to strictest secrecy and refer them to Paras. 88 and the following St.G.B. (penal code) in the version of April 24th, 1934.

Art. 21.

With regard to the stamping of the contract, the legal regulations will apply.

TRANSLATION OF EXCERPTS FROM DOCUMENT No. NI-7772  
CONTINUED

(page 10 of original cont'd)

Art. 22.

Modifications of this contract can only be agreed to in writing,  
i.e. in form of a document signed by both parties.

(page 11 of original)

Art. 23.

The contract has been drawn up in duplicate and signed by both  
parties as follows. Each party will receive one copy.

Berlin, November 7th, 1934,

The Reich Minister for  
Defense Forces

by order

signed: L i e s e

Major General and Chief of  
the Army Ordnance Department

Berlin, November 7th, 1934

Westfälisch-Anhaltische  
Sprengstoff-Aktiengesellschaft  
Chemische Fabriken

signed: M a t t h i a s .

(page 39 of original)

Declaration of guarantee and obligation.

The undersigned partners to the Deutsche Sprengchemie G.m.b.H., Berlin W 9, Linkstrasse 25, guarantee to the German Reich (Treasury of the Armed Forces) without limitation of time and irrevocably.

- 1.) that the activities of the Deutsche Sprengchemie G.m.b.H. will be limited exclusively to the purposes of the Reich War Minister.
- 2.) that "Firma" does not change its legal status without consent of the Reich War Minister or its deputy and that the partners to "Firma" will not sell their shares or parts of their shares to third parties without the consent of the Reich War Minister or his deputy.
- 3.) to grant seat and vote in the supervisory board to the Reich War Minister (High Command of the Army - We R) or his deputies.
- 4.) to procure authorization for the members of the supervisory board referred to under 3.), in order that they or their deputies may at any time inspect the production and the main- and works-bookkeeping as well as the books and records of "Firma".
- 5.) to pay a contract penalty of Reichsmarks 10,000.-- as joint debtors to the German Reich for any case of non-compliance with one of the duties under number 1 - 4. The claim on fulfillment is not invalidated by the payment of such penalty.
- 6.) to be liable as principal debtors for possible claims arising from delayed or improperly executed orders for equipment and delivery, given by the Reich War Minister (High Command of the Army), to the Deutsche Sprengchemie G.m.b.H., and of orders given by "Montan"

(for instance for the construction of workers' homesteads owned by the Reich); the debtors renounce the right of objecting the contestability, of making counter-claims and of preliminary proceedings.

Berlin, 26 November 1937

Berlin, 26 November 1937

WESTFÄLISCH-ANHALTISCHE  
SPRENGSTOFF-ACTIEN-GESELLSCHAFT  
CHEMISCHE FABRIKEN

2 signatures  
(illegible)

GESELLSCHAFT FÜR  
CHEMISCHE FORSCHUNG UND VER-  
WALTUNG .B.V. BERLIN

signature  
(illegible)

(page 58 of original)

The undersigned declares on behalf of Montan Industrie-  
werke G.m.b.H. that the KRAIBURG and GRETSDRIED plants of  
Deutsche Sprengchemie located in the American Zone of Occupation,  
were established by the Westfaelisch-Anhaltische Sprengstoff-  
gesellschaft by order of the German Reich (High Command of the  
Army), and after completion and acceptance were leased to the  
Deutsche Sprengchemie by us as trustee designated by the German  
Reich. Although no special omnibus- or lease contracts v  
were signed for these plants, there was full accord between  
the High Command of the Army, Wesag, Deutsche Sprengchemie,  
and Montan Industriewerke, that all rights and obligations of  
the existing omnibus contract of November 7th, 1934, between  
the German Reich and Westfaelisch-Anhaltische Sprengstoff-  
gesellschaft, and of the lease contract of November 26th, 1937/  
August 31st, 1939, between Montan Industriewerke and Deutsche  
Sprengchemie, shall also apply to these plants.

Signatures:

on behalf of Montan-Industrie G.m.b.H.  
signed: Schmid-Iossburg      Baumgaertner

Bodenfelde, November 8th, 1945  
Fuerstenhagen, November 9th, 1945

The above statements of Montan Industrie G.m.b.H. are correct,  
with the restriction that the above mentioned plants have not  
been established by the Westf.-Anh.Sprengstoff A.G., but by the  
Deutsche Sprengchemie G.m.b.H.

Deutsche Sprengchemie  
G.m.b.H.  
in liquidation

signed

Wesag-Chemie  
Aktiengesellschaft

signed

Westfaelisch-Anhaltische Sprengstoff A.G.  
Chemische Fabriken

signed



TRANSLATION OF EXCERPTS FROM DOCUMENT No. NI-7772  
CONTINUED

CERTIFICATE OF TRANSLATION

8 August 1947

I, Samuel S. HORN, GO-443 113, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of the document No. NI-7772.

.....  
Samuel S. HORN  
GO-443 113

Appendix 3

2 Stamps :  
German Reich  
20 Reichsmarks Document Tax

Stamp :  
German Reich  
3 Reichsmarks Document Tax

Guaranty and Undertaking

The undersigned shareholder of the Gesellschaft mit beschränkter Haftung zur Verwertung chemischer Erzeugnisse (Company for the Exploitation of Chemical Products) herewith accepts the following undertaking towards the German Reich (Finance Branch of the Wehrmacht), irrevocably and for an unlimited period of time :

- 1) to guarantee that the activity of the Gesellschaft mit beschränkter Haftung zur Verwertung chemischer Erzeugnisse be limited exclusively to production for the High Command of the Army (OKH).
- 2) to guarantee that the G.m.b.H. shall not change its constitution without the consent of OKH or of the representatives of OKH and that the shareholder of the G.m.b.H. shall not sell its stocks or a part of its stocks to a third person without the consent of OKH or of the representative of OKH.
- 3) to reserve for OKH or for a representative of OKH a seat on the Aufsichtsrat, and its accompanying vote,
- 4) to give to the members of the Aufsichtsrat mentioned under 3) the authority to examine at any time, either in person or by deputy, the production processes, the Main Accounts Department, the Plant Accounts Department and the records of the G.m.b.H.,
- 5) to pay to the German Reich a contractual fine of RM 10,000 in every case in which one of the undertakings 1 - 4 is not fulfilled. The obligation to fulfill the undertaking remains unchanged.
- 6) to stand surety for any claims arising out of tardy fulfillment of contracts, or work not carried out in accordance with instructions laid down in contracts for the installation of equipment or the delivery of goods, placed with the Gesellschaft mit beschränkter Haftung zur Verwertung chemischer Erzeugnisse

TRANSLATION OF DOCUMENT No. NI-7766  
CONTINUED

(page 1 of original cont'd)

by UNR or by the "Mensen", (e.g. contracts for the construction  
or Reich-owned workers' apartments etc.), renouncing its right  
to claim that the guaranty agreement is defeasible, that counter-  
claims should be set off against the guaranty obligation and  
that action should previously be taken against the debtor firm.

Stamp:

RM 43 for the original document  
and 2 x 3 = 6 "M for each copy submitted  
RM 42 Document Tax  
Berlin, 23 February 1939  
Recess Revenue Office (Finance Office)  
Signature: illegible  
Stamp: Recess Revenue Office

Polen (remainder illegible)

Ms. Treisdorf, 23 May 1939.

Stamp: Dynamit-Aktien-Gesellschaft,  
Formerly Alfred Nobel & Co.

Signatures: L. Mueller P. Schmidt

CERTIFICATE OF TRANSLATION

20 August 1947

I, Beryl Boswick, Civ. No. AGO-D-427 459, hereby certify that I  
am thoroughly conversant with the English and German languages  
and that the above is a true and correct translation of the document  
No. NI-7766.

.....  
Beryl Boswick  
Civ. No. AGO-D-427 459

TRANSLATION OF EXCERPTS OF DOCUMENT No. NL-7771  
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES

S e c r e t

(Rubber Stamp):  
Army High Command

(Rubber stamp):  
Army Ordnance Office

(Stamp):  
Document Fee  
3 Reichsmark  
(handwritten)

RM 3,— Document Fee  
for this copy  
Berlin, 9.4.1940  
(signature)  
Illegible

Oberzahlmeister  
(First Finance Officer)

B e t w e e n

the German Reich (Reich Army Treasury)  
represented by the Army High Command, hereinafter  
referred to as "OKH"

a n d

the firm of Dynamit-Aktiengesellschaft, formerly  
Alfred NOBEL & Co., Troisdorf, represented by its  
Vorstand, hereinafter referred to as "Firm",

the following

O m n i b u s A g r e e m e n t

is concluded.

This contract is to regulate the collaboration of  
both contracting parties for the purpose of  
founding, setting up, starting, operating and  
maintaining, the plants in Doemitz, Guosen,  
Hesslich-Lichtenau, Clausthal-Zellerfeld and  
Ueckermünde, which are to manufacture products  
for the Wehrmacht. Financial tasks are allotted in  
this manner, that the OKH provides the means to  
procure the real estate, buildings, machines, tools  
and other installations, which become the legal  
property of the OKH. The plant will be taken over  
by the Verwertungsgesellschaft fuer Montanindustrie  
G.m.b.H. Munich ("MONTAN"), acting for the OKH  
and will be

(Page 2 of original)

leased to the subsidiary, the Gesellschaft zur  
Verwertung chemischer Erzeugnisse G.m.b.H. in  
Troisdorf, founded by the Firm with an original  
capital of RM 300,000.—, for the purpose of  
operation and maintenance.

The Firm thus comes under the system of contracts  
known to it and applicable to army-owned industrial  
enterprises (consisting of the preliminary order,  
the present omnibus agreement, the statutes of the  
subsidiary and the lease contract between this  
subsidiary and Montan) in accordance with the  
following regulations.



TRANSLATION OF EXCERPTS FROM DOCUMENT No. NI-7771  
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CONTINUED  
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(page 2 of original cont'd)

Clause 1.

I. The Firm has founded by order and for account of the OXH : the following plants in Boemitz, Reuter Works, on the site shown in the enclosed plan, (Appendix 1)

1.) on the basis of order No. 4 - 7013/34

- a) a plant for the production of 1000 tons of trinitrotoluene per month with a coagulation-point of at least 80° C, in 25 working days with three shifts;
- b) a filling plant for filling bombs, with a capacity of 1,700 tons per month Fp. 60/40 (explosive mixture of 60% trinitrotoluene and 40% ammonium nitrate), also in 25 working days with three shifts;
- c) a plant for the production of center-columns and smoke fillers needed for bombs;

(page 3 of original)

2.) in accordance with order No. 4-A-1005/36 of 2.6.36, a production plant for picric acid with a capacity of 100 tons per month of 25 working days with three shifts;

3.) in accordance with order No. 4-A-1021 of 15.9.36; a pressing plant for igniting and primer charges from picric acid.

On the basis of order No. 9-7045/37 of 25.7.1937, the Firm has further increased the toluene stock by 500 tons.

II. On the basis of provisional order No. 4-7012/34 placed on 19.9.1934, the Firm, on orders from and for the account of the OXH, has constructed the following plants on the site shown in the enclosed plan (Appendix 2):

- 1.) a production plant for nitrocellulose with a capacity of 800 tons per month of 25 working days, with three shifts;

TRANSLATION OF EXCERPTS FROM DOCUMENT No. NI-7771  
CONTINUED

(page 3 of original)  
cont'd)

2. ) a filling plant for filling high explosive bombs, with a capacity of 1700 tons of explosives per month (Trinitrotoluene and ammonium nitrate in proportion of 60:40 ).

This installation is to guarantee production of the following quantities of smoke generators and pressing bodies (Pressko rper) from trinitrotoluene :

The filling plant should fill per month :

|    |        |                      |           |
|----|--------|----------------------|-----------|
| a) | 96,700 | high explosive bombs | S. C. 10  |
| b) | 14,000 | "                    | S.C. 50   |
| c) | 2,300  | "                    | S. C. 250 |
| d) | 600    | "                    | S. C. 500 |
| e) | 9,000  | "                    | S. D. 50  |

(page 4 of original)

and, in addition S. C. 250 and S. D. 50, until the total filling capacity of 1,700 tons per month is reached ; also, the separate parts belonging to these, namely

96,700 No. 1 smoke generators  
96,700 each, large and small filling bodies (Fuellkoerper) from trinitrotoluene,

as well as the center columns from trinitrotoluene for S.C. 250 and S.C. 500, are to be manufactured there and inserted and fixed into the high explosive bombs, in accordance with the conditions of delivery. The technical installations of the filling plant, must also be such as to permit a levelling of the monthly quantities under a - e.

In accordance with order No. 4-1-1029/36, dated 18.12.1936, the firm has also built in Guesen, a plant for the production of trinitroanisol, with a capacity of 600 tons per month of 25 working days with three shifts and, in accordance with order No. 9-6050, dated 1.11.1937,

a pressing plant for highly explosive irritants with a capacity of 12,000 shots L.F.H. and 24,400 shots S.F.H. per month of 25 working days with three shifts .

TRANSLATION OF EXCERPTS FROM DOCUMENT No. NI-7771  
CONTINUED

(page 4 of original cont'd)

III. On the basis of order No. 4-7104/35, placed with the Firm on 7.9.1935 and supplemented on 4.10.1937 and 31.8.1938, the Firm, by order and for account, of the OKH, has further constructed the following plants in Hessisch-Lichtenau, Friedland Works, on the site shown on the enclosed plan (Appendix 3) :

- 1.) a plant for the production of trinitrotoluene, with a capacity of 1,000 tons trinitrotoluene per month with a coagulation-point of at least

(page 5 of original)

800 C, in 25 working days with three shifts;

- 2.) a filling plant to fill grenades and bombs with a capacity of 1,700 tons per month. Fp. 60/40 (explosives mixture of 60% trinitrotoluene and 40% ammonium nitrate) in 25 working days with three shifts ;
- 3.) a plant for the production of picric acid, with a capacity of 250 tons per month of 25 working days with three shifts;
- 4.) a pressing plant for igniting and primer charges from picric acid ;
- 5.) a pressing plant for engineer and naval ammunition from trinitrotoluene, in addition, the Firm has
- 6.) increased the capacity of the trinitrotoluene plant by about 400 tons per month
- 7.) undertaken to build a Nitro-penta plant with a capacity of 150 tons per month of 25 working days with three shifts.
- 8.) On the basis of order No. 9-7043/37, dated 24.7.1937, the Firm has further increased toluene stocks at Hessisch-Lichtenau by 1,000 tons and
- 9.) On the basis of order No. 9-5009/36 dated 18.2.1937, has created the conditions for the alternative production of dinitrobenzene at the trinitrotoluene plant.

IV. On the basis of order No. 4-7017/34 given to the Firm on 14.2.1935 and supplemented on 31.8.1938 Firm, by order and for account of, the OKH further undertakes to construct the following plants in Cirsuthal-Zellerfeld, Tanne Works, on the site shown on the enclosed plan (Appendix 4) :

TRANSLATION OF EXCERPTS OF DOCUMENT NO. NI-7771  
CONTINUED

(page 6 of original)

- 1.) a plant for the production of trinitrotoluene with a capacity of 1,000 tons per month, with a coagulation-point of at least 800 C, in 25 working days with three shifts;
- 2.) a filling plant for filling grenades and bombs, with a capacity of 1,700 tons per month of 25 working days with three shifts.

This latter plant is to guarantee a filling capacity of Fp. 60/40 (explosives mixture of 60% trinitrotoluene and 40% ammonium nitrate );

- 3.) (the firm) has expanded the trinitrotoluene plant by 400 tons per month of 25 working days with three shifts;
  - 4.) the firm has further undertaken to increase the tolual stocks by 1,000 tons, in accordance with order No. 9-7042/37 given on 24.7.1937 and
  - 5.) in accordance with order No. 9-5009 of 18.2.1937, to create the conditions for the alternative production of dinitrobenzene at the trinitrotoluene plant.
- V. On the basis of order No. 4-A-1012/36, given to the firm on 2.7.1936, the Firm, by order and for account of the OKH, further undertakes to construct the following plant in Ueckermuende See I Works, on the site shown on the enclosed plant (appendix 5) :  
a plant for the production of nitrocellulose,

(page 7 of original)

with a capacity of 800 tons per month of 25 working days with three shifts.

Clause 2. -

- 1.) The Firm is authorized and, at the request of the OKH, obliged to delegate to its subsidiary any obligations and rights resulting from this contract.
- 2.) The claims of the OKH against the Firm on the basis of this contract will not be affected, however, by this delegation, which is demanded by the OKH, with respect to operation and maintenance. Its subsidiary nature may on no account be asserted in the relations of the subsidiary company with the parent company, as regards its financial structure as well as its technical and commercial organization.
- 3.) The Firm undertakes to give to the subsidiary company, free of charge, its inventions and experience (Erfahrungen), its improvements on previously known processes and equipment, including patents, granted or applied for patterns etc., which can be used for the construction or operation of the production plants. Whenever the firm is obliged to pay royalties for acquired patent rights, the same shall apply to the subsidiary.



TRANSLATION OF EXCERPTS FROM DOCUMENT NO. PI-7771  
CONTINUED

(page 7 of original cont'd)

- 4.) The Firm accepts responsibility for granting the requisite trade concessions to Montan, in accordance with Article 16 ff Trade Regulations.
- 5.) The development of the plants shall proceed according to the provisional orders mentioned in Clause 1. The right is reserved to develop the plants later;

(page 8 of original)

this contract shall be binding for individual contracts for later stages of development. The OKH does not accept any obligation to give orders to the plants.

- 6.) The OKH agrees to furnish the means required for the carrying out of these building stages in the measure that funds are available. This includes expenses incurred in connection with the preparation of the site and processing the drafts.
- 7.) The OKH shall at all times be free to make the requisite installations, machines and other equipment available to the plant, to procure them itself or to have them made or procured by the Firm or by third parties.

In building the plants, the firm shall at all times be guided by technical and economic considerations in its choice of a suitable installation; it shall exercise the greatest possible thrift, and undertakes at the same time to use the means made available only for the purposes of the contract. Far-reaching consideration must be given to the requirements of air-raid protection, particularly to the following:

- a) steam and water pipe lines as well as transmission lines are to be arranged in a ring system;
- b) the roofs of essential buildings must afford protection against incendiary bombs;
- c) all buildings have to be furnished with black-out devices
- d) the state of the woods has to be preserved, if possible,
- e) suitable shelters for active and passive personnel have to be constructed.

TRANSLATION OF EXCERPTS FROM DOCUMENT N. 41-7771  
CONTINUED

(page 12 of original)

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Clause 6. -----

- 1.) The Firm is responsible to the OKH for seeing that while this contract is in force all plants transferred to its subsidiary by means of a lease contract, including machines and other appliances, pipe lines and other transmission lines are constantly kept in good repair and working order, during construction and upon completion,

(page 13 of original)

that they are modernized or renewed upon request of the OKH and that they are managed with the care a good businessman would give them.

- 2.) Fire insurance policies for plants and equipment shall only be taken out where it is prescribed by law. All other insurance agreements shall be made only with the consent of the OKH unless they are prescribed by law.
- 3.) The costs incurred by the obligations listed in clause 1 will be refunded within the framework of the lease contract between the subsidiary and Montan, unless otherwise provided for in clause 7 which deals with maintenance.

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(page 17 of original)

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Clause 12. -----

- 1.) The Firm declares explicitly:
  - a) that it will manage the plants which are the object of this contract as trustee of the OKH. It will do everything in its power and leave nothing undone to protect the property rights of the OKH at all times, and will on no account use the plants in any manner as security to obtain credit;

TRANSLATION OF EXCERPTS FROM DOCUMENT No. NI-7771  
CONTINUED

(page 17 of original cont'd)

- b) that it will notify the OKH immediately if it meets with financial difficulties or if important changes in its constitution or administration are about to take place;
  - c) it is responsible for the careful selection of the people entrusted with processing and carrying out the projects, as well as with managing the plants.
- 2.) The OKH declares that it will indemnify the Firm against any obligations and consequences which may arise from this contract, unless the Firm is bound by the provisions of this contract.

Clause 13.

This contract shall become effective retroactively for each plant on the date of the individual order. Simultaneously, all other agreements concerning the contracting plants shall become void. The contract is valid until 31 March 1949 and until then cannot be terminated by either of the contracting parties. After that date the contract may be terminated at one-year's notice, to be given on 31 March of each year by registered letter. The OKH may give premature notice of termination if, within a certain period, to be fixed by the OKH, the Firm fails to carry out the conditions of the contract.

Clause 14.

- (page 18 of original)
- 1.) The Firm herewith binds itself to keep secret the correspondence concerning the plant, as well as the documents pertaining thereto, and to disclose details therefrom only to the extent absolutely necessary and only to those persons who are needed - indirectly or directly - for the fulfillment of the contract.
  - 2.) Those persons shall be pledged to strict secrecy; it shall be pointed out to them that a violation of the secrecy regulation may be punished by law, according to Articles 88-93a and 93b and c of the Reich Penal Code in the versions of 24 April 1934, 2 July 1936 and 16 September 1939.

TRANSLATION OF EXCERPTS FROM DOCUMENT WANI-7771  
----- CONTINUED -----

(page 18 of original cont'd)

Clause 15.

- 1.) The Berlin District Court shall be competent for any disputes arising from this contract regardless of the amount involved by the dispute.
- 2.) At the start of a legal action the contracting parties shall request the exclusion of the public and the pledging of all participants in the lawsuit to secrecy according to Article 172, 174, GVG, and the keeping of the files under lock and key.

Clause 16.

This contract is drawn up in triplicate. The OKH shall receive two copies and the Firm one copy.

(page 19 of original)

Clause 17.

The costs of this contract shall be borne by the Firm.

Berlin, the 4th March 1940, Troisdorf, the 4th March 1940

(Rubber Stamp:)

Army High Command

DYNAMIT-ACTIEN-GESELLSCHAFT  
FORMERLY ALFRED NOBEL & Co.

Represented by :

(signature:) BORLEY (?)

(signatures) MUELLER

Dr. SCHMIDT

(Handwritten figures)

20/2

illegible



TRANSLATION OF EXCERPTS FROM DOCUMENT NO. NI-7771  
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CONTINUED

CERTIFICATE OF TRANSLATION  
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26 August 1947

I, Samuel S. HORN, AGO-443 113, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of the document No. NI-7771.

.....  
Samuel S. HORN  
AGO-443 113

TRANSMISSION OF EXCERPTS FROM DOCUMENT No. NI-6780  
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES

The following

L e a s e   C o n t r a c t

was concluded

b e t w e e n

the Verwertungsgesellschaft fuer Montanindustrie GmbH, hereinafter called Montan, situated in Munich, represented by their business managers,

a n d

the Firma Gesellschaft mit beschränkter Haftung zur Verwertung chemischer Erzeugnisse, hereinafter called the "Firma", situated in Troisdorf, Cologne, represented by its business managers.

Article 1.

- 1) The Dynamit-Aktion-Gesellschaft, formerly Alfred Nobel and Co., has, by order of and on behalf of the Army High Command, built or fitted out as independent works, production plants with all the requisite subsidiary factories, including approach roads (cf. Plants 1-5 in the cover agreement) as follows:
  - 1) Dornitz (Reuter) production plants
    - a) for trinitrotoluene
    - b) for the filling of bombs
    - c) for the production of central supports and smoke charges needed for bombs
    - d) for picric acid
    - e) a press
    - f) enlargement of the toluene store for an additional 500 tons
  - 2) Guesen (Hesse) production plants
    - a) for nitrocellulose
    - b) for the filling of V.E. bombs
    - c) for the production of trinitroanisole
    - d) a press to produce fragmentation cases for irritants
  - 3) Hessisch-Lichtenau (Friedland) production plants
    - a) for trinitrotoluene
    - b) a filling plant for the filling of grenades
    - c) for picric acid
    - d) a press for detonators and sympathetic detonating charges, manufactured from picric acid

(page 2 of original)

- a) a press for Pioneer and Navy ammunition manufactured from trinitrotoluene

TRANSLATION OF EXCERPTS FROM DOCUMENT No. NI-6780  
CONTINUED

(page 2 of original, cont'd)

- f) expansion of the trinitrotoluene plant to produce an additional 400 tons per month
  - g) a nitropenta plant
  - h) enlargement of the toluene store for an additional 1,000 tons per month
  - i) the possibility of alternative production of dinitrobenzene in the trinitrotoluene plant
- 4) Clausethal (Tenne) production plants
- a) for trinitrotoluene
  - b) a filling department for the filling of grenades
  - c) expansion of the trinitrotoluene plant to produce an additional 400 tons per month
  - d) enlargement of the toluene store for an additional 1,000 tons per month
  - e) the possibility of the alternative production of dinitrobenzene in the trinitrotoluene plant
- 5) Ueckermünde (See I) production plants for nitrocellulose

These plants are the subject of the cover agreement concluded between the German Reich and the Firma Dynamit-Aktion-Gesellschaft, formerly Alfred Nobel and Co., on 4 March 1940.

- 2) "Montan" will take over the plants in a transfer negotiation. Records of this transfer negotiation are to be made and signed.

Article 2.

- 1) "Montan" shall lease to the "Firma" those plants which are the subject of the cover agreement.
- 2) The plants shall comprise the plots of land (including their replanted timber) and the buildings on the appended site plans (Enclosure 1), also the apparatus and machine fixtures, in accordance with the appended records of transfer (Enclosure 2) and accessories. Accessories within the meaning of the contract shall also include 1 set of tools and attachments for each of the machines, apparatuses and installations, and in addition a corresponding set of these tools and attachments in stock, and further the power, railroad and harbour installations and those supply lines, sources of power and communications otherwise needed for the running and maintenance of the works, as well as the transferred office fittings, vehicles etc.

(page 3 of original)

Article 3.

- 1) The "Firma" shall vouch for the economic exploitation of the works according to the rules of the good businessman, provided that 40% of the plants can be employed per shift in fulfilling the orders of

TRANSLATION OF EXCERPTS FROM DOCUMENT No. WI-6780  
CONTINUED

(page 3 of original, cont'd)

the trustees of "Monten".

.....

- 5) The plants and installations belonging to the "Monten" and made over by lease contract to the "Firma", as well as all other articles of value, including those procured through the "Monten" during production and after the plants have been taken over shall be currently shown or supplemented in lists as an appendix to the records of transfer named under Article 2, point 2. The records of transfer shall be signed by the firm performing the transfer, by the firm taking over (trustor of the "Monten") and by the "Monten", and shall form an essential part of this lease contract. In the first place inventories shall be kept in the regular business books of the "Firma",

(page 4 of original)

and in the second place, those pertaining to machinery, apparatuses and vehicles shall be kept by the trustor of the "Monten", in the "Monten's" books for incoming supplies, and those pertaining to the plots of land and buildings shall be kept in the Reich Real Estate Register. The "Monten" must be informed at once of erection and demolition of buildings during the carrying out of the building contract.

Article 4.

- 1) The "Firma" undertakes to control the plants and installations leased to it with the care of a good business man, and to omit nothing essential to their proper maintenance and permanent readiness for operation, and none of their safety measures in accordance with general regulations and the particular regulations of the "Monten", or of the consignor.

.....

(page 5 of original)

.....

Article 5.

- 1) The cession by lease of the plants and installations belonging to the "Monten" shall take place against payment of rent on the part of the "Firma". The rate of payment shall move between  $33 \frac{1}{3}$  (thirty three and one third) and 50 (fifty) % of the "Firma's" gross working profit as per balance sheet for one business period, after subtraction of depreciations and all other working costs of the "Firma", including taxes and business expenses. As regards possible reserves to be debited beforehand in accordance with Article 6, point 5, the



TRANSLATION OF EXCERPTS FROM DOCUMENT No. HI-6780  
cont'd

(page 5 of original, cont'd)

Aufsichtsrat shall decide, under consideration of financial prepa-

(page 6 of original)

redness for mobilization, upon the submission of the balance, in accordance with point 4 of this Article.

- 2) The rent shall be fixed yearly by Montan with the cooperation of the Aufsichtsrat within the limits set forth in point 1, according to orders placed and within the compass of the utilization of the works resulting from these orders.
- 3) The rent shall be payable on a fixed day at the end of every business year, that is, on 31 March every year. Payment to the Montan must ensue within the half year following the striking of the balance. Interest shall not be required from the "Firma" over this period. "Montan" can demand appropriate partial payments within this period. If the time limit is overstepped, "Montan" can demand interest on unpaid rent at the rate of 2 (two) % over the Reich bank rate of interest current at the time.
- 4) The "Firma" shall undertake to submit to the "Montan" a draft of the balance, in detail as prescribed by the "Montan" (appended summaries of accounts, graphic presentation of sales and business summaries), at least four weeks before the meeting of the whole Aufsichtsrat for final consideration of the balance-sheet.

.....  
(page 8 of original)

Article 7.

- 1) The Firma shall pledge itself to inform the Montan in good time of running in of machinery, of the start of manufacture, and of the inception of mass production, just as any basic business or administrative action can be taken only with the cooperation and approval of the Montan. Herein is included the immediate notification to the Montan of the placing of orders by the trustee of the Montan.

.....  
(page 9 of original)

Article 8.

- 1) The inventions and practical experience of the "Firma" in the sphere of operations appointed to them, their improvements on known methods in this sphere, or their improvements on existent equipment in this sphere, particularly in so far as these inventions, experiences and improvements should be protected by a patent or

TRANSLATION OF EXCERPTS FROM DOCUMENT No. NI-6780  
CONTINUED

(page 9 of original, cont'd)

trademark, shall be at the disposal of "Monten", the trustor of "Monten" or a third party named in individual cases by "Monten" or its trustor, free of charge for the purposes of the "Lehrmacht". "Monten", its trustor, etc. shall be authorized to make use of the inventions etc. free of charge for the purposes of the "Lehrmacht" and in particular to reproduce and use the apparatus invented. Against payment of the cost price the "Firma" will manufacture and hand over in the quantity desired by "Monten" or its trustor, reproducible plans of these apparatuses and the instruments essential thereto, and the other data necessary for the exploitation of the inventions, and will in addition provide teaching staff for the training of more workers.

- 2) In particular cases "Monten", in agreement with its trustor, shall decide whether and to what extent the "Firma" should be remunerated for the costs of the invention, or whether in view of the complete acceptance of factory-risks by "Monten" the "Firma" should be considered sufficiently remunerated by the profits which accrue to it for the duration of the contract.
- 3) Within the limits of the regulations the "Firma" shall see to it that inventions by their employees and workers fall under the rulings in points 1 and 2 of this Article.
- 4) On buying protective rights from a third party the regulations in points 1 and 2 of this Article shall be put into practice where needed. In cases of doubt the "Monten", in agreement with the trustor, shall decide.

(page 10 of original)

Article 9.

- 1) "Monten" or its trustor shall always be entitled to inspect the official main and plant books, or the books which are kept on the instructions of "Monten", all details of manufacture and general works procedure, through its special representatives, just as the Army Price Control Office of the trustor of "Monten", and the Supreme Auditing Court of the German Reich are to the fullest extent permitted to make such inspections.
- 2) The Firma shall be pledged to allow its balance and books to be checked through an auditing firm. "Monten" shall be informed of the names of the auditors before the audit begins, and on finding them suitable shall direct that they be engaged.

Article 10.

- 1) For the purposes of establishing the administrative system for the plants leased to the "Firma" and its control in accordance with the terms of the contract, the "Firma" shall undertake conscient-

TRANSLATION OF EXCERPTS FROM DOCUMENT No. NI-6780  
CONTINUED

(page 10 of original, cont'd)

tiously and carefully to prepare and regularly to deliver the periodical reports required by "Montan".

- 2) The "Firma" shall be bound immediately to draw to the attention of the Montan, visits announced from the authorities and offices, in so far as the visitors are people outside the official scope of the supply service. The Montan, in agreement with the other appropriate offices, shall give permission for entrance into the plants.
- 3) The "Montan" can issue instructions to the Firma to join or resign from certain economic groups and other organizations.

Article 11.

- 1) Any essential changes in partnership or alterations in the conditions under which the company is working, particularly the transfer of shares to other hands, shall need the consent of the Montan.

(page 11 of original)

- 2) The Montan is at all times authorized to transfer its rights and obligations arising from this contract to a third party in accordance with the official instructions of the trustee of the "Montan".
- 3) The "Firma" can transfer its rights and obligations arising from this contract to a third party only with the consent of the "Montan".

Article 12.

- 1) The "Firma" shall undertake to keep secret this contract, such special contracts as may have been concluded in connection with it, including the correspondence conducted for the execution of these contracts, and also the documents involved, and to allow information on the subject, in particular the regulations on property agreements and administration, to pass to the minimum extent absolutely essential only to those people who must directly or indirectly be concerned in the handling and execution of the contracts.
- 2) The "Firma" shall bind the people indicated to the closest secrecy and warn them that an offense against the obligation to secrecy will be punished in accordance with Articles 23 et seq. of the Reich Penal Code of 24 April 1934.
- 3) The preservation of secrecy on all processes, letters, files, designs, models etc. is the duty of the "Firma" even after the annulment of the contract. The "Secrecy Pledge for firms" has been given to the "Firma".

Article 13.

- 1) The contract shall be effective for the period from (13) the start of mass production in each individual firm to 31 March 1949. After

TRANSLATION OF EXCERPTS FROM DOCUMENT No. NI-6780  
CONTINUED

(page 11 of original, cont'd)

this time it may be terminated at one year's notice. If notice is not given at the time stated, it shall remain effective for one further year. Notice shall be considered to have been given in time if the written notice

(page 12 of original)

has been posted by registered mail on 31 March. Termination of the cover agreement by giving notice or for any other reason shall carry with it automatically the termination of the lease contract at the same moment.

- 2) At the end of the notice period the works shall be correctly handed over to "Montan". Then articles owned by the firm are taken away, the buildings etc. shall be left in their original condition. The records of transfer mentioned in Articles 1 and 2, which are to be kept current, together with the lists, are essential data for these transfer negotiations.
- 3) The "Firma" shall undertake to produce the surety pledge demanded in Enclosure 3 for its parent company before the conclusion of this contract.

Article 14.

- 1) Except where a particular court of arbitration is considered competent in accordance with the enclosed special arbitration agreement, (Enclosure 4), the Munich county-court is the proper authority for disputes arising from this contract, regardless of the importance of the subject of the dispute.
- 2) When a legal dispute opens the parties must immediately take steps to exclude the public and to bind the participants to secrecy in accordance with Articles 172 and 174 of the Law of Court Procedure, and must also apply for proper safeguarding of documents.

Article 15.

The expenses of this contract shall be borne by the "Firma".

Article 16.

The contract has been prepared in triplicate. Each party, as well as the chairman of the Aufsichtsrat of the Montan, has received a copy.



TRANSLATION OF EXCERPTS FROM DOCUMENT No. NI-6760  
CONTINUED

(page 13 of original)

Berlin, 31 August 1939

Vorwertungsgesellschaft  
für Montanindustrie GmbH.

signed Dr. Zeidelhack

Troisdorf, 23 May 1939

Gesellschaft mit beschränkter  
Haftung zur Verwertung  
chemischer Erzeugnisse

signed Dr. Propach Dr. Grille

The Aufsichtsrat:

As chairman:  
signed Dr. Mueller

As deputy chairman:  
signed Dr. Schmidt

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CERTIFICATE OF TRANSLATION

10 July 1947

I, Arthur MCMILLAN, No. 20191, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of Excerpts from Document No. NI-6760.

Arthur MCMILLAN  
No. 20191

To the

Reichsminister for Air  
and Commander in Chief of the  
Luftwaffe

Berlin W. 8  
Leipziger Strasse 7

L.C.12 7.9.38 Dr. Go/1  
Az. 67 g 10 Nr. 965/38 gsh (I A)

30 September 1938

Project L.C.12 I A

Enclosed we are sending you the data requested for the construction of a milling-plant for the production of Bl IV/1.

At the meeting in Berlin at the Reich Air Ministry (RLM) on the 26th of July 1938 it was agreed that L.C. can not build the plant at its own expense, in view of the fact that the projected plant is to be a stand-by plant, but that the funds for its construction will be furnished by the Reich Air Ministry (RLM).

For this purpose a special contract concluded between the Reich Air Ministry (RLM) and L.C. covering the construction of the plant would be advisable. After clarifying the technical problems involved, we propose to formulate and submit to you a draft of this contract.

We must state that as a consequence of the stipulations made by you, the project itself will have to be changed. At our conversation on the 26th of July we estimated the production capacity of the plant already in existence at 75 tons per month. This capacity is dependant on its being operated on a schedule of 30 days with two 10-hour shifts per day. As a result of your order to reduce the operation schedule to 25 days with two 10-hour shifts per day, and to operate the plant for safety reasons for 200 working hours only, the above-mentioned production capacity will drop to 50 tons per month.

For this reason we must submit to you a plan for a double-unit milling plant with which, under the above mentioned conditions, we can produce 100 tons of Bl IV/1 per month and together with

(page 2 of original)

Dr. Go/1 30 Sep.1938 2

the existing plant, cover the total requirements of 150 tons per month. Accordingly the tentative costs, previously quoted to you on one occasion for a single-unit milling plant, are increased as a result of doubling the capacity and the demand made on us to establish a depot to store a 3 months supply of raw materials.

TRANSLATION OF DOCUMENT No. NI-6482  
CONTINUED

(page 2 of original, cont'd)

We can also comply with your request to ensure nitrogen supplies by arranging - if necessary - for it to be delivered from another source. For this the laying of a pipe line and the modification of the nitrogen-producing apparatus is necessary. The costs of this latter project are quoted separately from the costs previously quoted in connection with the milling-plant project.

With regard to putting this into effect we consider it advisable to have a conference with you, which could best take place in Bitterfeld; we are, however, prepared to come to Berlin for that purpose.

Heil Hitler !

I.G. FARBENINDUSTRIE AKTIENGESELLSCHAFT

Initialed by hand:  
Go

signed: LANG

-----

CERTIFICATE OF TRANSLATION

10 June 1947

I, John FOSBERRY, No. 20179, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of the document No. NI-6482.

John FOSBERRY  
No. 20179

- 2 -  
"END"

71

TRANSLATION OF DOCUMENT No. HI-6504  
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES

Stamp:  
Secretariat  
Director Dr. LANG

Stamp:  
SECRET

1. This is a state secret within the meaning of article 88 of the Reich Penal Code.
2. To be transmitted only under seal; if sent by post, to be registered.
3. To be kept, at the responsibility of the addressee, under lock and key.

Registered.

To  
the Reich Minister of Aviation and Commander-  
in-Chief of the Luftwaffe

BERLIN W 8  
Leipziger Strasse 7.

Dr. Go/W. 11 March 1939

Project L.C. 12 I a  
Reference: L.C.  
L.C. 12 Az 67g10 No. 1271 secret (Operations).

With reference to our last letter of 16 January 1939 we regret to inform you that our examinations have proved it impossible to erect the projected new plant to operate in conjunction with a nitrogen producing plant. We propose, therefore, to erect the milling plant at Stassfurt where we are running a magnesium factory. There, we should use as inert gas, a mixture of Carbonic Acid and Nitrogen which we produce from existing producer gas.

The total costs for the erection of this plant would probably be approximately equal to those indicated in our first proposal.

Should you agree to the choice of Stassfurt as the site, we would then work out an exact estimate and dispatch it to you.

We look forward to your early reply.

Heil Hitler!

Initials: Go.  
I.G. FARBEINDUSTRIE AGTHIENGESELLSCHAFT

Signature: LANG      Signature.



TRANSLATION OF DOCUMENT No. MI-6504  
CONTINUED

9 June 1947

CERTIFICATE OF TRANSLATION

I, Beryl BESWICK, AGO No.D-427 459, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of document No. MI-6504.

BERYL BESWICK  
AGO No.D-427 459.

I.G. FARBENINDUSTRIE AKTIENGESELLSCHAFT  
Bitterfeld

CONFIDENTIAL !

File Note on a conference with Ministerialrat Dr. ZAHN, on 13 November 1936.

1. I called on Dr. ZAHN to show him by means of a map of the dye factory WOLFEN the site recently chosen by us for the new production of calcium sulphuric acid and to ask him whether he had any objections to our choice. He had none. Dr. ZAHN only inquired whether the plant for manufacturing phosgene located in the vicinity did not trouble us.

On this occasion I asked Dr. ZAHN whether any interest existed in our establishing a second calcium sulphuric acid plant beside the first. Dr. ZAHN replied that in future the Reich would grant no more funds if factories were erected on strange territory. For that reason a contract such as was for instance made with us for diglycol was out of the question. Furthermore, Dr. ZAHN told me that in his opinion two more plants for the manufacture of calcium sulphuric acid would be needed as emergency plants (Bereitschaftsanlagen), the location of which, however, was not fixed yet.

2. Dr. ZAHN told me that he himself had unfortunately overlooked sending us the arbitration contracts together with the frame contract for diglycol. In the meantime, he had attended to this and asked that we should soon return the arbitration contract to him that he may sign the frame contract and the matter may be settled.

As to the production facilities for diglycol, Dr. ZAHN referred to the fact that at Ludwigshafen up to 350 tons could be produced monthly, a quantity which he thought would not yet be needed at present, because each powder had not been tested for a possible use of diglycol.

(Page 2 of original)

3. Dr. ZAHN is of the opinion that in the near future, we shall have to increase our phosgene production to a capacity of 500 tons and that soon the building of the acetophenon-plant would be ripe for decision, too. In this connection he drew my attention to the fact that we should inform him if we wanted any assistance in the procurement of raw materials (especially iron) particularly non-rationed raw materials for the plants now under construction e.g. stabilizers (applications concerning the supply of rationed raw materials, especially substitute metals, would be submitted to him in any case and would be recommended). He will then give us a permit to the effect that the non-rationed raw materials wanted by us are needed for direct orders of the Armed Forces, a permit which will help speeding up the supply considerably.

4. I told Dr. ZAHN that Dr. MIELENZ had not called on us up to now on account of perchloron and that therefore, we could not submit proposals yet.

5. Dr. ZAHN, as he told me, had had a longer talk with Dr. RITTER before the meeting with me. On the basis of that discussion, Dr. ZAHN asked me whether we used chlorine for our magnesium. He had learned from Dr. RITTER that chlorine was not necessary in a certain process. I replied thereupon I could imagine that that process started from carnallit (Wintershall) whereas we worked with magnesia. Dr. ZAHN's inquiry can be traced back to the fact that they had conferred about the chlorine situation with Dr. RITTER and evidently felt apprehension that there was not sufficient chlorine in the "A-Case" (in A-Falle).

(signed) G. PISTER

Ministerialrat Dr. BUHL  
Dr. SCHOENER/Dr. VIRCK/O.I. MUELLER  
Dr. BUERGIN/Director v.d.Bey (for information and return)

Bitterfeld, 14 November 1936

CERTIFICATE OF TRANSLATION

I, DOROTHEA L. GALEWSKI, M.P. No. 34079, hereby certify that I am thoroughly conversant with the English and German languages; and that the above is a true and correct translation of Document No. NI-4490

DOROTHEA L. GALEWSKI  
U.K. Civilian  
M.P. No. 34079

( E N D )

(stamp:)

Secret!

1. This is a state secret within the meaning of article 38 of the Reich Penal Code.
2. Only to be handed over under sealed cover; to be "registered" if sent by mail.
3. To be kept under lock and key at the responsibility of the addressee.

Building Contract.

Between

the German Reich (Treasury of the Wehrmacht) represented by the High Command of the Army, hereafter abbreviated "OKH" and the I.G. Farbenindustrie Aktiengesellschaft, Frankfurt a/Main, hereafter abbreviated "I.G."

Preamble.

(1) At the request of the OKH and by reason of the skeleton agreement concluded between the OKH and the I.G., dated 24.10./2.11.1939 the I.G. has on the account of the OKH made various stand-by plants and adjoining supplementary and auxiliary plants available for the production of diglycol and stabilizers on tracts of land belonging to the I.G. Golden Forke and leased to the OKH. Later, at the request of the OKH, other stand-by plants for the manufacture of Dinitrodiphenyl-asis, decontamination chemicals and others were added which are still largely under construction at present. The OKH has selected the Verwertungsgesellschaft fuer Montanindustrie G.m.b.H. Lunich, hereafter abbreviated "Montan", to carry out this project, and the tract of land, needed for the construction of the stand-by plants, is being put at its disposal by the I.G. through an "Erbbaurecht" (a contract which contains a perpetuity clause giving the lessee the right to acquire ownership of involved land from the lessor)

(2) A detailed list of the stand-by plants follows:

a) Preliminary products for explosives (diglycol and Dinitrodiphenyl-asis)

Plant for the production of 300 tons per month of diglycol

commission number 4 - 7109/35 dated 16 December 1933



(Page 1 of original cont'd.)

Expansion of the diglycol-plant to 500 tons per month  
Commission number 9/VII - 247 - 0110/38 dated 5 Sep-  
tember 1938

Expansion of the intermediate stage of diglycol-plant and  
enlargement of the alcohol warehouse.  
Commission number 9/VII - 240 - 7053/39 dated 18 Sep-  
tember 1939.

Construction of a diglycol warehouse.  
Commission number 9 - 7027/36 dated 4 March 1937.

(Page 2 of original)

Plant for the production of 130 tons per month of  
Dinitrodiphenylsulfide  
Commission number 9 - 7072/37 dated 17 March 1938.

Expansion of the dinitrodiphenylsulfide plant for  
establishment of a nitrating system.  
Commission number 9 - 7072/37 dated 20 December 1939

b) Stabilizers

Plant for the production of 235 tons per month.  
Commission number 4 - 7115/35 dated 31 March 1936.

Levelling of the ground for the stabilizer plant  
Commission number 4 - 7111/35 dated 2 March 1936

Procurement of 8 auto-claves  
Commission number 4 - 7110/35 dated 13 February 1936

Conversion of the alkalizing-and other plants to  
continuous operation  
Commission number 9/VII - 240 - 7057/39 dated 25  
September 1939

Addition to the stabilizing-apparatus.  
Commission number 9/VII - 240 - 7057/39 dated 21 March  
1940.

c) Decontamination Chemicals.

Plant for the filling of product 12  
Commission number 9/VII - 247 - 0109/38 dated 20  
September 1938

Plant for the production of 50 tons per month of  
product 12  
Commission number 9/VII - 247 - 0109/38 dated 14  
December 1938

(Page 2 of original cont'd)

d) Liquid Phosgen.

Expansion to 600 tons per month of phosgen.  
Commission number 9/VII - 240 - 7058/39 dated  
26 September 1939

Construction of a filling plant for 300 tons per  
month of Oil F  
Commission number 9/VII - 240 - 7064/39 dated  
9 November 1939

Construction of a filling plant for shells.  
Commission number 9/VII - 240 - 7070/39 dated  
5 December 1939

If the plants were completed before 1 April 1940,  
the skeleton agreement referred to in paragraph 1  
is applicable for their construction. Insofar  
as the plants were not completed before 1 April  
1940 the following provisions regarding their  
construction are agreed upon between the OKH  
and the I.G.

(Page 3 of original)

Section 1.

(1) According to the provisions of this agreement, the IG undertakes to build the installations named in Paragraph 2 of the preamble, insofar as they were not completed on 1 April 1940, on the tract of land named in Paragraph 1 of the preamble, by order of and on the account of the OKW.

(2) The installations to be furnished will include the necessary auxiliary and elevating installations. Steam and electric current for the installations will be furnished by the IG-Plant Wolfen.

Section 2.

The IG undertakes to construct all installations with the care of an ordinary business man and technician, with all practicable thrift and with the greatest speed, and to use all suitable patents, processes and experience at its disposal.

Section 3.

(1) The IG undertakes to obtain all necessary permits from the building and trade supervision offices.

(2) The IG will observe all regulations of the trade supervision office. Changes in plant equipment or working methods, which are requested by the competent authorities in this connection, are to be submitted to the OKH for approval before being put into practice. All costs and fees arising from the above provisions will be borne by the OKH.

(3) As soon as the location and structural design of the buildings to be constructed have been fixed in detail, the IG will apply for approval to the competent military and civilian Air Raid Protection Offices. In the interests of protection against air raids, the following should be given special consideration in the planning of the installations:

(page 4 of original)

- a) Steam and water pipelines, and electric powerlines should be arranged in a ..... circular system,
- b) The roof construction of the main buildings should offer protection against incendiary bombs,
- c) All buildings should be furnished with black-out screens,
- d) Suitable shelters for both active and inactive personnel should be provided.

Section 4.

(1) The firm undertakes to furnish to the OKH upon request preliminary estimates of the costs of the individual stages of the construction, which have to be examined and approved by the officials of the OKH dealing with the matter. Any deviation from these approved estimates will require the specific consent of the OKH, and indeed the closest co-operation with the officials dealing with the matter at the OKH is necessary for clarifying the details, and the OKH should be kept informed on the progress of the work.

(2) The estimates are to be subdivided as follows:

- a) An estimate of the purchasing price and additional expenses in connection with the acquisition of the land, including a plan of the site, which must contain information on the size of the tract.
- b) An estimate of the cost of constructing the buildings and of other construction work.
- c) To this estimate should be attached:
  - I. A detailed description of the individual buildings;
  - II. Drawings for the individual buildings (Scale 1: 200);
  - III. A table, giving the number of square meters covered by each building, the number of cubic meters occupied by each building, and the cost of building space per cubic meter, taking into account all installations and any foundations for machines which may be required.
  - IV. A table of the costs of secondary installations (grading of the land, draining, light and power supply, tracks etc.) showing individual amounts, measurements and thicknesses.



(page 5 of original)

- c) Estimates of costs for furnishing the necessary machinery including installations, tools and gages.

Par. 5.

1.) Insofar as the I.G. will contact the suppliers for the completion of this building contract, it will be done under its own name, for the account of the OKH.

2.) This public advertisement, construction and accounting for the construction work are to be based on the rules of the contract order for constructional work and the building price order of June 16 1939 and explanations of 16 January 1940.

3.) Excluding special construction work, 3 offers should be considered for each of the contracts to be made. The I.G. will in case accept the offer most favorable in every respect. Should this not be the cheapest, an explanation will be given by the I.G. in the final account.

Par. 6.

1.) In accordance with its need of money for the construction of the installations, the I.G. will in each case present detailed demands to the OKH in good time; the reimbursement of the I.G. called for in Par. 8 is to be added to other expenditures to be paid.

2.) Of the sums demanded the OKH will make available to the I.G. such amounts as are required for current payments and expenses by I.G. at any time, all these payments being subject to approval in the final account. A construction interest of 1 % above Reichsbank discount rate per annum will also be considered as expenses paid in advance by the I.G. on behalf of the OKH, provided, however, that the I.G. has made a prompt report of such payments.

3.) The final account will be drawn up after completion of the installations. Proof of deliveries made by third parties will be rendered by presentation of the original bills, and of services rendered by the I.G. itself by presentation of cost price bills according to LSO (directives for the calculation of costs in government contracts). The tax on the turn-over should be shown as a separate item in each case.

(page 6 of original)

Par. 7

1.) During the period of building the OKH itself or its representatives have the right to check on the state of the construction work at any time, to examine whether the construction follows the blueprints agreed upon, and to inspect the condition of the installations after completion.

2.) A joint statement will be executed after each inspection of the state of the construction work. At the option and expense of the OKH the installations may be tested in operation ; if the production rate agreed upon is reached on 14 consecutive days, this will be considered sufficient proof.

Par. 8.

Compensation amounting to 6 % of the final construction cost for the entire project, including all materials, especially mechanical installations, will be paid to the I.G. for working out all blue prints, making all estimates of costs, collecting and checking all offers, ordering and accepting deliveries, obtaining official permits, for general supervision of construction, also for local supervision and checking of building construction , settlement of bills and filing of claims in case of shortages. This compensation is payable also for the construction material furnished by the I.G. itself.

Par. 9.

Both parties undertake to keep the contents of this agreement absolutely secret from outside parties, to initiate their personnel only to the extent absolutely necessary, to make it incumbent upon such persons to observe permanent secrecy and to take all measures necessary to guarantee secrecy .

TRANSLATION OF DOCUMENT No. NI - 4493  
CONTINUED

Paragraph 10

(1) All disputes arising out of this agreement regardless of the value involved will be referred only to the Landgericht Berlin.

(2) At the opening of any law-suit the litigants are required to apply immediately for a hearing in camera, for a court order binding press representatives to observe secrecy, according to paragraphs 172 and 174 of the GVG (Gerichtsverfassungsgesetz - Law for the Constitution of the Courts) and finally for a ruling that all documents be classified and put under lock and key.

Paragraph 11

(1) The costs arising out of this agreement will be borne equally by both parties.

(2) The agreement will be executed in two copies, each party will receive one copy.

Berlin, on the            day  
Supreme Command of  
the Army

Frankfurt a.M. 18 November 19  
I.G. FARBENINDUSTRIE AKTIEN-  
GESELLSCHAFT

signed: Dr. DUD    signed: (signature)

CERTIFICATE OF TRANSLATION

1 July 1947

I, Hermann KASKEL, Civ. No. 1646, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of the document No. NI - 4493.

Hermann KASKEL  
Civ. No. 1646

TRANSLATION OF EXCERPT FROM DOCUMENT No. NI-4856  
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES

Stamp: Received 15 July 1943

Minutes on the 143 Meeting  
of the Technical Committee on Wednesday, 30 June 1943 at 9.30 hours  
in Berlin, Unter den Linden 78.

Present: The gentlemen indicated in the Appendix.

|   | <u>Page:</u> |
|---|--------------|
| I. <u>Recent Industrial Power Works.</u>  | 2            |
| II. <u>Amendment of the Patent Law and Regulations for Inventions by Members.</u> | 2            |
| III. <u>Situation in the Plants.</u>  | 3            |
| IV. <u>Transfer of manufactured goods.</u>  | 3            |
| V. <u>Credits.</u>  | 4/5          |
| VI. <u>Miscellaneous:</u>   |              |
| 1.) <u>Chromium nickel steel</u>  | 6            |
| <u>License Agreement with Oberhausen, Vereinigte</u>                              |              |
| <u>Oberschlesische Huettenwerke A.G., Gleiwitz.</u>                               |              |
| 2.) <u>Experimental distillation plants</u>                                       | 6            |
| <u>Agreement with the Berg-Meun.</u>  |              |

(Initial)

(page 1 of original)

List of Participants in T.E. Appendix

|                     |                 |          |
|---------------------|-----------------|----------|
|                     | Schmitz         |          |
| <u>Main Group 1</u> | Schneider       |          |
|                     | Buckefisch      |          |
|                     | Mueller-Conradi |          |
|                     | Sauer           |          |
|                     | von Staden      |          |
| <u>Main Group 2</u> | ter Meer        | Chairman |
| <u>Upper Rhine</u>  | Ambros          |          |
|                     | Murster         |          |
| <u>Main Group</u>   | Lautenschlaeger |          |
|                     | Jachno          |          |
|                     | Jacobi          |          |
| <u>Lower Rhine</u>  | Kuchno          |          |
|                     | Haberland       |          |



(page 1 of original cont'd)

|                             |                |             |
|-----------------------------|----------------|-------------|
| Central Germany             | Buergin        |             |
| <u>Main Group 3</u>         | Gajowski       |             |
|                             | Kleino         |             |
|                             | Riess          |             |
| Explosives-<br>Powder Group | Mueller        |             |
| Central Book-keeping        | Lencker        |             |
|                             | von Knierich   | ) as guests |
|                             | von Schnitzler |             |
|                             | Pfleiderer     |             |
|                             | Bonck          |             |
|                             | Struss         | Recorder    |

(page 2 of original)

Stamp: Secret!

Transfer and safeguarding of war-important manufactured goods

The increasing probability that important production factories will be put out of action completely or partly by enemy action has given cause for an examination of the measures, which had already been taken some years previously, for the transfer of factories and for the decentralization of geographical production distribution. Furthermore, in recent months, new enquiries and deliberations have been made by a series of commissions with the aim of restricting to the smallest possible degree, the effect of any possible deficiencies. These deliberations dealt, in particular, with the question as to how further important production which is carried out in one place only could be distributed to several places, and what possibilities existed of transferring existing plants to other places, in order to replace, as quickly as possible, production which had fallen off at the original place of production.

The increase in existing production which has been going on since 1933, and the assimilation of new manufactures, gave early cause for the basic decision to be made to set up new large plants for this purpose, which, apart from new manufactures, should take over also products which had already been manufactured in the old I.G. Farben plants. In the field of organic-chemical goods, Schkopau was founded in 1935, where, together with Buna production, large-scale manufacturing of phthalic acid, acetic acid anhydride, vinyl chloride, and Igolit was planned, in order to cut out further increases in western production. The foundation of the major plants

|      |              |
|------|--------------|
| 1938 | Landsberg    |
| 1938 | Huels        |
| 1938 | Hoosbierbaum |
| 1939 | Hoydrebrock  |
| 1941 | Auschwitz    |

followed, whose location and production program were chosen from the outset in such a way that they would take over such manufactures as already

(page 2 of original cont'd)

\*an

existed in other, principally western, plants. Even in purely stand-by plants such as Daeberitz, the planning was formulated in such a way that they were fitted with large plants for the necessary basic materials (anilin factory for 20 000 tons per year), although these could have been delivered in sufficient quantities from existing plants. The construction of the Parschwitz pharmaceutical factory was begun quite recently, so that efficient plant for the particularly fine chemistry of pharmaceuticals will exist to manufacture these products. With the above-mentioned six large plants, of which five are situated in the Central- and East-German areas, and of which also Parschwitz will soon start production, the foundation for a sound distribution of a series of major productions has been laid and also, a frame has come into being which, by reason of its many-sided technical possibilities and reserves, permits the carrying out of large-scale transfers of production.

(page 3 of original)

The renewed examination of the transfer of production and of the possibilities of emergency production, which has just been carried out, has again shown that, basically, an effective guarantee against a complete falling off of any branch of production can only be made by establishing greater emergency production capacity, provided with corresponding reserves, as has been done in the creation of the new plants. If the bottle necks with regard to men and materials no longer allow, in most cases, for this plan to be followed, it is possible, in most cases, where important branches of production are still concentrated at present in one place, to take or prepare measures which will prevent, to a large extent, a complete cessation of the branch of production concerned. These measures can be laid down as follows:

- 1.) Manufacturing will be carried out in one plant at several points sufficiently far distant from each other.
- 2.) In so far as is possible with regard to apparatus, the manufacture of component parts will be transferred to other manufacturing works of the I.G. and its Konzern-plants as far as possible in areas exposed to little danger from air attacks.
- 3.) Production capacity existing outside the I.G.-Konzern will be utilized.
- 4.) Selection of such manufacturing processes which - even if only by the application of the strictest economy - can easily be used in another place, in so far as apparatus and raw materials are concerned.
- 5.) Storing larger stocks.

All the above-mentioned possibilities have been considered and examined in the investigation which has just been carried out by the Commissions. In so far as manufacturing in Sparto II is concerned, the examination has been brought to a provisional conclusion. The results however, are not entirely to hand; the reports on the possibilities of emergency production with regard to pharmaceuticals and organics, as far as metal manufacturing, are still outstanding.

TRANSLATION OF EXCERPT FROM DOCUMENT  
No. NI - 4856 CONTINUED

CERTIFICATE OF TRANSLATION

3 June 1947

I, JOHN FCSBERRY, Civ. No. 20179, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of excerpt from document No. NI-4856.

.....  
JOHN FCSBERRY, Civ.No.20179.

TRANSLATION OF DOCUMENT No. NI-7378  
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES

COPY.

I.G. Farbenindustrie Aktiengesellschaft, Ludwigshafen / Rhein  
Anorganische Abteilung.

(Stamp:) SECRET

Through Liaison Office 17

to the

Army Ordnance Office,  
Attention: Herr Ministerialrat  
Dr. ZAHN,

BERLIN-Charlottenburg-2

Jobensstrasse 1.

1. This is a secret matter within the meaning of Article 88 of the Reich Penal Code
2. To be transmitted only under cover, if sent by post, to be registered.
3. To be kept, at the responsibility of addressee, under lock and key.

(handwritten figures:) 150

Inorganic Department 11 July 1939 J/S

Production of aluminum chloride  
in stand-by plants.

In supplementation of the conference of Herr Dr. MITTNER with Herr Regierungsrat Dr. EISEN, we inform you of the following as regards the establishment of stand-by plants for anhydrous aluminum chloride:

It has been planned to produce the aluminum chloride from aluminum metal in these stand-by plants, as in the "L-Fall" one cannot reckon on receiving the quantities of raw materials which the normal production process requires and because the method via aluminum metal is much simpler.

In former years aluminum chloride has been technically produced from aluminum metal and chlorine in the Ludwigshafen plant of the I.G., however, owing to the development of new processes on a different raw material basis, the technical development of this process did not go beyond relatively small production units. The capacity of an individual system amounts only to approximately 160-170 kilograms per day, so that for the production of 125 tons per month, as it has been planned for instance for Huels, about 25 small production units would have to be set up side by side. There is no doubt, that it is now possible to develop larger production units for the production of aluminum chloride from aluminum metal and chlorine. The introduction of such larger production units would of course mean a considerable lowering of the investment costs (estimated to be approximately 40%) for the



TRANSLATION OF DOCUMENT No. NI-7378  
CONTINUED

(page 2 of original)

stand-by plant and a decrease of service personnel for the operation.

On the basis of our previous experiences, gained by the technical execution of the process, we have designed plans for a production unit of 1 ton per day of aluminum chloride. We now suggest to you to give our firm a development order in this direction with a view to placing the stand-by plants to be established in the future on as economic a footing as possible.

The costs for the setting-up of an experimental furnace with a pre-estimated capacity of 1 ton per day of aluminum chloride are estimated by us to be RM 60,000.-. For a six months operation period on a trial basis including further developments we estimate an amount of RM 30,000.-. The iron requirements of the plant would amount to approximately 30 tons of iron.

In order to take advantage of these experiments also for the Huels plant, your decision on this matter would have to be given immediately.

We therefore look forward to your opinion concerning our proposal as soon as possible.

Heil Hitler!  
I.G. BARREN-INDUSTRIE-AG-GESELLSCHAFT  
signed FR. J. KUELLER signed by order: JOHANNSEN.

CERTIFICATE OF TRANSLATION

8 August 1947

I, Victoria CRITCH, No. 20 129, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of the document No. NI-7378.

Victoria CRITCH  
No. 20 129.

69.268.101 4 607

I. G. FARBENINDUSTRIE AKTIENGESSELLSCHAFT

Technical Department

Postal address: I.G. Farbenindustrie  
Aktiengesellschaft  
Technical Department  
Ludwigshafen a. Rh.

Telegraphic address: Anilinfabrik  
Ludwigshafen a. Rhein

Telephone: Local calls 6692  
Trunk calls 6693

9

Business hours:  
8-17 o'clock, closed Saturdays  
Visitors:  
1-12 o'clock except Mondays

Banks:  
Reichsbank-Giro-Account  
Postscheck a/c No. 5816  
Office Ludwigshafen a. Rh.

To the  
Regierungspräsident,  
M ü n s t e r . i . Westf.

Our reference:  
TA/BA/Fa.

Ludwigshafen a. Rh.,  
7.12.1936 n/q.

Re: Industrial and Building Police Approval for the  
Construction of a plant for the Production of  
Ethyleneoxide in our Works at Zweckel (Gladbeck).

We send you herewith works specifications,  
construction and installation plans, capability proofs  
(Festigkeitsnachweise) for the building of a plant for  
the production of Ethyleneoxide in our works at Zweckel  
(Gladbeck) and request you to obtain the approval of  
the Industrial and Building Police by virtue of Article  
22 a of the German Reich Industrial Order through the  
Economic Ministry.

We would mention that the necessary land  
for the plant has been made over to us for this pur-  
pose by the owners of the Bergwerksgesellschaft HIBERNIA  
Aktiengesellschaft in Herne, in accordance with the  
hereditary building rights contract made before the no-  
tary Dr. HOHMANN in Herne on 13. November 1936. The ne-  
cessary sanction in accordance with the Law of Dwelling  
Settlements has been issued by the Oberbürgermeister  
of the town of Gladbeck i. Westf. as from the 24. July,  
1936.

I. G. FARBENINDUSTRIE AKTIENGESSELLSCHAFT  
(2 signatures illegible)

140 enclosures  
as per list.

All correspondence requested in  
triplicate.

(page 2 of original)

I. G. FARBENINDUSTRIE AKTIENGESSELLSCHAFT

|                     |            |                                       |                    |
|---------------------|------------|---------------------------------------|--------------------|
| Telegraphic address | Telephone  | Business hours                        | Banks:             |
| Sulfur              | Bitterfeld | Monday to Fri-                        | Reichsbankneben-   |
| Bitterfeld          | No. 2941,  | day 7 <sup>00</sup> -16 <sup>00</sup> | stelle Bitter-     |
|                     | 3041       | hours                                 | feld,              |
|                     |            |                                       | Schausell & Co.,   |
|                     |            |                                       | Bitterfeld         |
|                     |            |                                       | Commerz- u. Privat |
|                     |            |                                       | bank, A.G. Zweig-  |
|                     |            |                                       | stelle Bitterfeld  |
|                     |            |                                       | Postscheckkonto    |
|                     |            |                                       | Leipzig 29 516     |
|                     |            |                                       | Berlin 26 719      |

S e c r e t !  
Confidential !

Files 2 W 3/3  
-----IV 15887  
attached 9/4/37      N 5323 37 6

To the  
Regierungspräsident

M e r s e b u r g .

Bitterfeld, 5.4.1937.

Our ref.  
Ing. Verw.  
A/Schg.

Re: Extension of the Teutschenthal Works.

We have the intention of undertaking an alteration and extension in our Teutschenthal Works. This alteration is necessary in order to convert our Magnesium producing plants, for which the Teutschenthal Works supplies a preliminary product, to the use of pure German raw materials. Instead of the preliminary product Magnesiumoxide as hitherto, in future, by addition of condensed Chloride-magnesium, the preliminary product Magnesiumoxychloride will be produced.

As the Teutschenthal Works has been conceded on grounds of secrecy in accordance with Article 22a RGO, (Reich Legal Regulation) we are of opinion that the proposed extension must also be dealt with in accordance with Article 22 a. With reference to the conversation at the Teutschenthal Works on 2.4.37 with Governmental and Industrial Counsellor (Regierungs- und -gewerberat) Dr. LOCZKA, we send you herewith a plan together with a works specification with scheduled drawing each in duplicate, requesting you to obtain from the Reich and Prussian Economic Ministry the sanction for the extension of the plant, as well as the permission to begin building immediately before the conclusion of the concession procedure.

Heil Hitler !

I. G. FARBENINDUSTRIE AKTIENGESSELLSCHAFT  
(Signature) Burgin

Pencilled note  
illegible  
Enclosures

TRANSLATION OF DOCUMENT No. NI-6764  
CONTINUED

CERTIFICATE OF TRANSLATION .

I, Victoria Orton, 20 129, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of Document No. NI-6764.

Victoria ORTON  
20 129 .



*I. G. Farben*

MILITARY TRIBUNAL NO.

CASE NO. *VI*

Prosecution Document Book No

*XXXII*

*Engl.*



INDEX  
TO

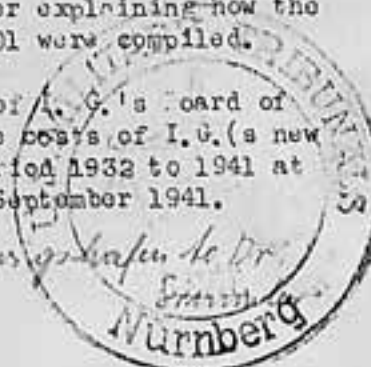
DOCUMENT BOOK XXXII

Count I-D

Case No. VI

PARZEN PARTICIPATED IN CREATING AND EQUIPPING  
THE NAZI MILITARY MACHINE FOR AGGRESSIVE WAR

| Exhibit<br>No. | Document No.                                   | Description of Document  | Page<br>No. |
|----------------|--|--|-------------|
|                | NI-7833  | Memo re discussion with Krauch on I. G. drafts for agreements with the Reich listing 12 different types of such draft agreements.  | 1           |
|                | NI-2861  | TEA reports "Credits for the Four Year Plan", dated October 1936 and February 1937.  | 13          |
|                | NI-5899 (al- ready in evi- dence in Book XIX)  | Minutes of the meeting of the technical management Hocht, dated 11 January 1937, dealing with the increased amortization of investments under the Four Year Plan.  | 32          |
|                | NI-8202  | 51st Meeting of the I. G. Aufsichtsrat where the defendant Schmitz gives a comprehensive survey of the development of I. G.'s business during 1938, dated 2 June 1939. The turnover has increased considerably in the first quarter of 1939. | 36          |
|                | NI-10036 (al- ready in evi- dence in Book XIX) | Affidavit by Dr. Hagert, showing I.G.'s share in the expansion of capacities under the Four Year Plan for the period October 1936 to May 1937.   | 39          |
|                | NI-10035 (al- ready in evi- dence in Book XIX) | Affidavit by Dr. Hagert, showing I.G.'s share in the plant expansion of capacity and investment's under the Four Year Plan in the chemical field.  | 41          |
|                | NI-9656  | Affidavit by Koerner, former Under Secretary of State, for the Four Year Plan, showing that the iron industry successfully refused to take part in the Four Year Plan projects, while Farben willingly participated.                         | 45          |
|                | NI-10001                                       | Chart "Investments in plants of I. G. Farben and I. G. controlled companies", with affidavit by Deichfischer, showing the yearly investments for the period 1932 through 1944.   | 47          |
|                | NI-10013                                       | Affidavit by Deichfischer explaining how the figures in chart NI-10001 were compiled.  | 48          |
|                | NI-5813  | Minutes of the meeting of I. G.'s Board of Directors, discussing the costs of I. G.'s new constructions in the period 1932 to 1941 at 2 billion RM, dated 25 September 1941.   | 51          |
|                | NI-9545  | Letter from J.G. Hindenburg to Dr. Schmitz   | 84          |



| Exhibit<br>No. | Document No. | Description of Document   | Page<br>No. |
|----------------|--------------|---|-------------|
|                | NI-10007     | Chart "Investments in 18 strategic materials in I. G. and I. G. controlled companies" for the period 1932 through 1944, with affidavit by Struss.   | 54          |
|                | NI-10020     | Affidavit by Struss explaining how the figures in chart NI-10007 were compiled.   | 58          |
|                | NI-10025     | Graph, prepared by Dr. Struss, showing progress of I. G. Farben investments in 18 strategic materials, referred to in NI-10007.   | 64          |
|                | NI-10928     | Affidavit of Fagert re comparison of investments by I. G. in war plants as against its total investments.   | 65          |
|                | NI-10004     | Chart "Financial connection between I.G. and Reich and Wehrmacht agencies", with affidavit by Deichfischer, showing Reich investments, Reich credits, Reich subsidies for contract plants, tax subsidies and lost subsidies of the Reich to I. G. | 68          |
|                | NI-10016     | Affidavit by Deichfischer pertaining to Chart NI-10004.   | 69          |
|                | NI-10011     | Affidavit by Struss pertaining to Chart NI-10004.   | 77          |
|                | NI-10012     | Affidavit by Hartmann pertaining to Chart NI-10004.   | 79          |
|                | NI-10022     | Affidavit by Struss pertaining to Chart NI-10004.   | 81          |
|                | NI-7237      | Affidavit of Dencker, chief of I. G. Bookkeeping Department, re financing of plants in Four Year Plan.  | 83          |
|                | NI-7242      | Report on examination of loans to I. G. by the German Reich, a report made by Johannes Philipp and Co., dated 10 March 1947.  | 85          |
|                | NI-9193      | Affidavit by Dr. Zeidelhack, junior director (Ministerialdirigent) in the Heereswaffenamt, stating that I.G.'s production in the explosives and gun powder field before 1939 was in excess of peacetime needs.                                    | 104         |
|                | NI-7429      | Copies of two I. G. letters from I. G. Legal Department Frankfurt to other I. G. Legal Departments, dated 19 and 20 December 1939, creating the Central Department in Frankfurt for the drafting of agreements with the Reich.                    | 107         |
|                | NI-8594 (al- | Report of 21 April 1943 prepared by Oeckel ready in evi-for Krensch showing the effect of the overall dence in war effort which the bombing of I. G. Farben Book V as plants would have.  | 110         |
|                | Exhibit 131) |   |             |
|                | NI-11267     | Affidavit of Dr. E. A. Struss   | 113         |

TRANSLATION OF EXCERPTS FROM DOCUMENT No. NI-7833  
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES

I.G. Farbenindustrie Aktiengesellschaft  
Vermittlungsstelle W

Dr. Goefgen

Berlin NW 7  
Unter den Linden 78  
A.2 Flora 0021

I.G. Farbenindustrie Aktiengesellschaft  
attention of Director Dr. BRENDL  
Legal Department.

Answered by teletype  
7 July 36

Ludwigshafen/Rhein.

Your ref. Your letter of our ref. Berlin  
(state in reply) 6 July 1936  
Dr. Di/Pf.

Re:

With reference to our telephone conversation today we beg to inform you that Dr. KRAUCH will see you this Thursday to hear your report on the contracts between the State I.G. etc.. Dr. KRAUCH is expecting you on Thursday at 9 o'clock a.m.

Vermittlungsstelle W  
Sparte I

(signature :) Diekmann

(page 2 of original)

I.G. Farbenindustrie Aktiengesellschaft  
Vermittlungsstelle W

Berlin NW 7  
Unter den Linden 78  
A.2 Flora 0021

To  
Director BRENDL

Your ref. Your letter of Our ref. Berlin,  
(Please state 3 July 1936  
in reply)  
Dr. Di/Pf. (MS:) 15 July 36

Re:

Dr. KRAUCH wants to have a report on the treatment in past and present contracts of financial participation of the Reich in private firms; (Influence of the Reich) e.g. I.G. Leuna-Contract during the war

Gasoline Contract

Boeberitz Contract etc.

Vermittlungsstelle W  
Sparte I

(signature :) Diekmann



TRANSLATION OF EXTRACTS FROM DOCUMENT "G.I.N.I-7833"  
CONTINUED

(page 3 of original)

- 1) Ammoniak Werk Merseburg : Synthetic Gasoline at Leuna
- 2) Soja
- 3) Schkopau
- 4) Experiments on manufacture <sup>of/</sup> glycerine through fermenting sugar.
- 5) Methods of manufacturing mono chlorinated nitrogen derivatives of aromatic sulfonides.
- 6) Thiel (?) gas pressure meter.
- 7) Ammendorf (the field of ethylene oxyl)
- 8) Aluminium methyl chloride
- 9) Aviation gasoline.
- 10) Semi-finished products from alloys on the basis of aluminium or magnesium.
- 11) Piesteritz.
- 12) Doeberitz.

G. 8 July 1936

TRANSLATION OF EXCERPTS FROM DOCUMENT No. VI-7833  
----- CONTINUED -----

(page 4 of original)

(MS) 3 copies (2 with Docb. 1 without Docb.)

Strictly confidential !

7 July 1936 Dr. G/sch.

I. A.-Works (V) (Ammoniakwerk Merseburg)

The Werk having undertaken to enlarge the plants for the production of synthetic gasoline at Leuna to produce a certain quantity, which is not to fall below a stated minimum to maintain the increase in production for the duration of this contract and to take care of a further development of the method used, the Reich undertakes to pay to the Werk for 10 years a price ex factory, based on the cost of production (including adequate depreciation and 5% interest on capital invested. This price is a guaranteed price which is agreed anew annually for the first 3 years and biennially after that each on the basis of an inspection; apart from that both parties shall have the right to ask for a reassessment of cost price, should the cost price rise or fall by more than 5% for reasons beyond the control of the manufacturer. Quarterly accounts to the Reich:

- a) If a lower price than the guaranteed price is obtained, the difference is to be refunded to the Werk by the Reich;
- b) if a higher price than the guaranteed price is obtained the difference is to be refunded to the Reich by the Werk.

Reich undertakes responsibility for sale of increase in production, provided the Werk can prove that the increase in production cannot be disposed of and that failure to sell is not the fault of the Werk. The essential items of the contract are as follows:

- a) Rules for the calculation of the cost price.
- b) calculation schedule.
- c) Regulations concerning the details of sale price calculations and settlement of the differences.

TRANSLATION OF EXCERPTS FROM DOCUMENT NO. NI-7833  
CONTINUED

(page 5 of original)

Should legal regulations be made which concern the contract, each party shall be entitled to ask for adaptation of the legal position to these legal regulations on the condition that a deterioration of the legal position of one party or the other is avoided.

Special Reich guarantees to the Werk that by this contract the Werk shall not assume the character of a subsidized business enterprise within the meaning of the Reich President's decree for the stimulation of industry, dated 4 Sept. 1932, Part IV, Chapter 5. There is a special arbitration contract.

II. S o j a (1419)

The difference between the purchase price (consisting of "organization expenses" and "harvesting expenses" adding 1% for general expenses) and the price at which the goods are taken over ("world market price") shall be met by subsidies which are distributed and limited as follows:

- A) Difference in price up to a-Marks per ton is borne equally by the I.G. and the oil mill.
- B) The difference in price exceeding a-Marks up to b-Marks per ton:  
The Reich to bear the amount in excess of a-Marks.
- C) Difference in price exceeding b-Marks up to c-Marks per ton:  
I.G., oil mills and Reich to bear 1/3 each of the amount exceeding b-Marks, maximum share of the Reich being limited to y-Marks per ton and the total amount of Reich subsidy to z-Mark.
- D) Difference in price exceeding c-Marks up to d-Marks:  
The amount in excess of c-Marks to be borne equally by I.G. and the oil mills.
- E) Difference in price exceeding d-Marks:  
The amount exceeding d-Marks to be borne by the oil mills on the condition that their total subsidy is limited to x-Marks per ton.

TRANSLATION OF EXCERPTS FROM DOCUMENT No. NI-7833  
CONTINUED

(page 6 of original)

The contracting partners shall not be considered in view of the contributions made by the German Reich as subsidised plants within the meaning of the Reich President's decree for the Stimulation of Industry, dated 4 Sept. 1932, Part IV, Chapter 5.

III. Schkopau (Draft).

Owing to constant modifications of the process production plants proper must be considered as short lived (3 to 5 years). Therefore, the Reich undertakes the following guarantee, valid also for orders for private purposes, where the estimated production costs are not attained owing to the competition of the natural raw material :

- a) amortisation of the actual production plants : 5 equal yearly instalments reckoned from the date at which plant starts operating i.e. annual rate of - 20%.
- b) amortisation, for power plants and auxiliary plants during the first 5 years of operating, of 10% per year for apparatus; 5% per year (of the original value in each case), for the buildings.
- c) Interest of 5% per year on the capital invested (book value at the time) as under a) and b). (This is desired as from the date of the investment.)

New situation: If the Reich requires a larger plant than originally planned, there will be greater demands on space, power plants to be erected, etc., to a greater extent. Therefore, Reich compensation of excess costs by irradicable subsidies within 2 to 3 years; writes-off within 10 years of the normal cost, of the plants (if used for the usual period) guaranteed by the Reich; interest on the purchases of the grounds and on the cost of their preparation, but no writing off.

Buying guarantee by the Reich for at least 5 years from the date of starting production

(page 7 of original)

to hyproduction if necessary, by introduction of a suitable measure compelling its use:

- a) delivery price calculation exactly as laid down in the contract, for purposes of the Reich ,



(page 7 of original cont'd)

- b) when calculating production <sup>price/</sup> for private orders addition 10% for sales expenses and advertising to be permitted.
- c) Reasonable additional profit, on private orders, added by I.G. to the production costs as laid down in the contract for research and industrial work, to be deducted from the annual Reich subsidies;
- d) if in the case of orders for private purposes after the deduction of amortisation and interest on the invested capital (participation by the Reich in these expenses by a guarantee) a difference in price still remains, the Reich undertakes to meet it for 5 years in the first instance from the date at which the plant begins to operate up to a total amount of x-Marks a year at the most (x-Marks per kg. aimed at).

Preliminary estimate of the delivery price for 1 year. After the end of this and every following year a standard price is agreed on as preliminary price for the next year on the basis of the definite calculation for the previous year. In the settlement of accounts with the Reich, any deviations, in either direction, from the standard price which appear in the final calculation shall be taken into account. In exceptional unforeseen circumstances each of the contracting parties shall have the right to ask for a price revision accordingly at any time of the business year.

IV. Experiments on the production of glycerine (glycerine through fermentation of sugar) S.447.

RKM (Reich War Ministry) commissions I.G. to

- a) conduct further experiments in laboratories,
- b) to evolve the best possible process in a small pilot plant to be built for the purpose,

TRANSLATION OF EXCERPTS FROM DOCUMENT No. NI-7833  
----- CONTINUED -----

(page 8 of original)

with a view to collecting essential data for the project of a large production plant.

- c) to draw up in outline the plans for a production plant.

This order is for pure research. I.G. does not undertake to guarantee results. The expenses incurred including relevant overheads to be refunded in accordance with the customary calculation method of I.G., estimated costs x-works. On termination of experimental work PKM shall decide on the further use of results. Should PKM decide to start current production, I.G. shall be given first option. If they refuse, all experience gained shall be put at the disposal of the government. Should I.G. refuse to undertake production, they shall grant a simple production license free of charge to the firms charged with production.

V. S. 523 (Methods of manufacturing mono chlorinated nitrogen derivatives of aromatic sulfonides).

Transfer of application for patent registration to PKM for registration as secret patent. PKM. to act as trustee for the patent. I.G. shall be at liberty at any time to drop the patent by not paying the annual fee; the requirements of the PKM shall have priority over all other deliveries. Utilisation of production process shall be reserved for I.G..

VI. S. 423. (Thiel; gas pressure meter)

Fundamental rules: The entire risk, especially of raising the capital for the plant, its amortisation and interest thereon, to be borne by PKM (Reich Ministry for Economic Affairs). The firm shall be satisfied with an adequate remuneration for its technical and scientific achievements. The grounds and buildings required for the plant shall be provided by I.G.; The business capital

TRANSLATION OF EXCERPTS FROM DOCUMENT No. NI-7833  
----- CONTINUED -----

(page 9 of original)

shall be supplied by I.G./ All costs of plant construction shall be borne by the RWM, which shall pay in the same manner as I.G. A surcharge of 10% to be added to payment for machines ordered, etc. for commercial and technical handling of the purchase. The Insurance shall be covered by RWM. The equipment (machines, tools, and installations) paid for by the Reich Ministry of Economics shall become the property of the RWM, but shall remain in the possession and under the care of I.G. . On the expiration of the contract, the machines, etc. belonging to the RWM shall be returned to it. Any removals and transportation of the machines etc. shall be carried out at the expense of the RWM as shall the restoration to original state of the buildings including equipment. I.G. shall not use the machines etc. belonging to the RWM for other purposes than for the execution of orders placed by the RWM except with the latter's express permission. The Reich undertakes to refund expenses incurred in manufacture in accordance with the regulations of the contract during the preliminary period, until the required standard of quantity and quality has been reached. Should I.G. desire to acquire protective rights or rights for use from a third party, I.G. shall

- a) communicate with RWM before acquiring such rights,
- b) the acquisition shall be effected in such a way that other firms working for the RWM shall also be permitted to use such rights on the same terms. (RWM shall also impose similar conditions on all other firms, I.G. shall not assume the character of a subsidised business enterprise on account of the contract.)

VII. Amendment.

The company X shall build a plant for the manufacture of a product of the .....sector on the order and at the expense of the company y, which should be closely connected with the Reich.

(page 10 of original)

I.G. undertakes to plan and control the construction of the plant including various additional services against a lump sum of RM 125,000.—. Apart from that it shall make available relevant processes and experience free of charge.

VIII. H.K. 1400 (Method for the manufacture of aluminium methyl chloride)

TRANSLATION OF EXCERPTS FROM DOCUMENT No. NI-7833  
CONTINUED

(page 10 of original cont'd)

Transfer of the patent by I.G. to RLM (Reich Air Ministry) for registration as secret patent. Expenses for transfer and maintenance of the patent are to be borne by I.G. as long as the Reich does not make use of the patent. If the object of the invention is used by the Reich, an adequate remuneration shall be fixed. I.G. shall be entitled at any time <sup>to</sup> drop the patent by not paying the annual fee. If use is made of the invention by the Reich, I.G. shall be entitled to produce the object of the invention; the use for purposes of the Reich defense shall be exclusively the responsibility of the Reich. The I.G. shall be at liberty to produce the object of the invention for purposes other than those of Reich defense, I.G. shall, however, take care that neither the process of production nor the recipes are disclosed to a third party.

(page 11 of original)

8 July 36  
Dr. G/PL  
(S.546)

Plant for the Production of Aviation Gasoline

- a) The Work undertakes to erect and maintain sufficient additional factory installations, equipment to produce x tons per annum.
- b) The Work undertakes to produce during the years x to y up to z tons a year at the demand of the Reich.
- c) The Work undertakes to keep additional factory installations, fully operational after the year y until the year..... Changes of the production capacity shall require the previous consent of the Reich
- d) The Work undertakes not to sell to third parties except with the consent of the Reich, the same rights of delivery to third parties being granted to the Work, as have been granted by the Reich to other manufacturers.

The Reich undertakes

- 1) To refund to the Work amounts up to a maximum of x million Marks in order to allow depreciations of 11,11% a year on the cost a) to c).



TRANSLATION OF EXCERPTS FROM DOCUMENT No. MI-7333  
----- CONTINUED -----

(page 11 of original cont'd)

- 2) 5% interest on the yearly book value of the expenses.
- 3) 5% interest a year on the additional catalyst which the Werk furnished at its expense; limiting cost of additional catalyst to x Marks.
- 4) For additional expenses spent with the approval of the Reich 5% interest a year shall be paid up to the year.....

Special Arbitration Agreement

(page 12 of original)

Patents Combine (1937) (Semi-finished products from alloys on the basis of aluminium and magnesium)

At the suggestion of the Reich, certain firms in general permit each other to make use of their various protective rights (the scope of the latter being clearly defined). The material produced under license may only be delivered within the boundaries of the Reich and for the purposes named. The supplier firms shall see to it as far as possible that there is no indirect export through resale, either. The issue of a license and questions of patent violations shall be dealt with in direct negotiations between the contracting parties. If no agreement can be reached, appointment of an arbitrator agreeable to both parties. Only if agreement can not be reached, recourse to arbitration court.

Essential in this connection: Examination of the new regulations of the Aviation Association for the Patent Combines in the hands of Director Dr. BUNDE.

(page 13 of original)

Piesteritz.

- 1) Electric current supply contract of 10 January 1933, Elektrowerk A.G. (belonging 100% to "Viag" which combines the industrial enterprises of the Reich) as suppliers, Bayerische Stickstoffwerke A.G. as consumers, Ammoniakwerk Mersburg G.m.b.H. as guarantor. The consumer undertakes to see to it that the total electricity requirements for light, power and other purposes of the consumer, guarantor and the combine of the consumer and of the guarantor in the factory at Piesteritz and the plants at Piesteritz and in the neighbouring communities, organically connected therewith, are met exclusively from the plants of the supplier. Supplier to be permitted to use 80 000 V plants of consumer jointly with the latter. Expiry date of the contract: 31 Dec. 1947.
- 2) "Viag" and Bayerische Stickstoffwerke A.G. agreement dated 10 January 1933 according to which on 31 March 1933 the remaining 18 million shares of the Mitteldeutsche Stickstoffwerke A.G. including the dividend rights as from 1 January 1933 shall be transferred from "Viag" to the Bayerische Stickstoff-

TRANSLATION OF EXCERPTS FROM DOCUMENT No. NI-7833  
----- CONTINUED -----

(page 13 of original cont'd)

werke A.G. at the price of ..... (2 million shares of the Mitteldeutsche Stickstoffwerke A.G. have been transferred separately to the Ammoniakwerk Merseburg).

Partly cash payment on 31 March 1933, Delay of Payment of the remainder. Amortisation of the remainder in accordance with schedule by 1 April 1947 and 4% interest a year on payments still due.

(page 14 of original)

Confidential

D o e b e r i t z .

In accordance with a promise given by Geheimrat SCHMITZ to the government to the effect that I.G. was ready to erect and maintain a plant for the production of X on such terms that no profit and no loss would be involved for I.G. the following contract was concluded between Ammoniakwerk Merseburg and Company Y, which is closely connected with the Reich. The Ammoniakwerk Merseburg shall erect <sup>the factory in question</sup> in their own name, but at the expense of Company Y. The plans had been approved by Y; as for the rest, the details of the constructional supervision rested with Merseburg. The maximum cost for the erection of the factory had been laid down; had the amount been exceeded - which it was not - Merseburg would have had to bear this additional cost. A certain sum was fixed for drawing up plans and supervising the construction. A surcharge percentage on the invoice of the goods bought was intended to pay for the efforts of the Purchasing Department.

The erection of the factory was carried out in continual cooperation with the Company Y and without any trouble. A few weeks ago the final settlement was carried without objections.

The maintenance of the factory is effected in such a manner that the amount needed for the maintenance is estimated beforehand by Ammoniakwerk. The amount is then approved by Company Y; this approval, being purely for the benefit of Company Y in drawing up the budget, the final

TRANSLATION OF EXCERPTS FROM DOCUMENT No. NI-7833  
-----  
CONTINUED  
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(page 15 of original)

decision on costs of maintenance resting with I.G.

If Company Y desires to run the factory, which may be done only under certain conditions, Marseburg is obliged, but at the same time solely authorized, to run the plant.

The original of this contract is with Dr. HANSEN. Records do not exist.

End of excerpts from Document NI-7833

CERTIFICATE OF TRANSLATION  
-----

25 August 1947

I, Leonard LAURENCE, Civ. No. 20 138, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of the document No. NI-7833.

.....

Leonard LAURENCE  
Civ. No. 20 138

Of the credits of 100.000,-Mk available to Tea on 20 October 1936, about 77 millions are reserved under the Four Year Plan. They are underlined with red in this special list. Those credits to the amount of 7.7 million Mk which have been paid in independent of the new plan, have again been extracted on the enclosed sheet.

Tea-Buero, 21 October 1936.



(page 2 of original)

I.G. Leverkusen  
Department Engineering Administration

To the Tea-Buero  
I.G. Farbenindustrie Aktiengesellschaft

Dr. EISFELD

Frankfurt a/Main  
Gruenebergplatz

(rubber stamp) Tea Buero (Office)  
Section  
Received 17 Febr. 1937  
forwarded  
settled (Initial)

| Your reference | Your letter of | Our reference    | Date         |
|----------------|----------------|------------------|--------------|
|                |                | 4239 Secretariat | 16 Feb. 1937 |

Subject: Credits for the Four-Year Plan.

With reference to the personal discussion with your Dr. EISFELD and your letter of the 6th February 1937 we are forwarding you enclosed the list of these credits which

- I. are being raised on direct orders of the Reich as Four Year Plan projects
- II. which are not raised on direct Reich orders but are within the scope of the Four Years Plan.
- III. which are to be considered as preliminary projects of the Four Years Plan.

As agreed upon, only loans already ratified, are dealt with.

(Rubber stamp) I.G. Farbenindustrie  
Aktiengesellschaft

signature: EINSLER  
ppa. FUNKS.

Enclosure: 1 list.

( page 3 of original )

I.G. Ludwigshafen

Office Branch I

Dr. EISEL

To  
I.G. Frankfurt/Main (20)  
Tea-Buero  
Grabenburgplatz.

( rubber stamp )

Tea Buero  
Department II.

Received: 24 Feb. 1937  
forwarded  
settled

Your reference

Your letter of

Our reference

Date

B.Sp.I.  
Dr.KH.

23 February 37

Subject: Credits.

Enclosed we are forwarding you the list of the current credits of Seite (Division) I, insofar as these are connected with the Four Years' Plan.

In accordance with the arrangement made with your Dr. EISEL on his visit on the 29th ultimo we have used the following classifications as a basis for our draft:

- 1.) Loans which were sanctioned after the announcement of the Four Years' Plan ( i.e. conferences of 20 October 1936 and 12 January 1937 )  
and  
la) plants installed by direct order of a Reich office;  
lb) plants installed without direct order but which operate within the scope of the Four Years' Plan-creation of economic independence.
- 2.) former credits, insofar as they operate within the scope of the Four Years' Plan ( preliminary projects).

In order to make it fully comprehensive we have introduced two more groups, namely

- 3.) nitrogen plants, insofar as they are necessary for safeguarding food supplies ( production drive )
- 4.) plants which are working for re-armament and industrial air-raid protection insofar as they are not included under 1) and 2) ( for example nitric acid).

( page 3 of original, cont'd )

Purely substitute installations were not listed. For the credits sanctioned in 1936 and before, the credit balances on 1 January 1937 were inserted, so that our statement shows the state of open credits from the middle of January 1937, so that certain differences as compared with the final credit-statements of January 1936, may appear. "

Enclosures.

signature W. HARTMANN.

Registered.

( page 4 of original )

Credits in connection with the Four Years Plan

Leverhansen.

| No.<br>Category | Plant | Description | Sanctioned on | Bi | Four Years<br>Plan | Within the Preliminary Expen-<br>scope of project of diture<br>the Four the Four Years 1936<br>Years Plan Plan |
|-----------------|-------|-------------|---------------|----|--------------------|--|
|-----------------|-------|-------------|---------------|----|--------------------|--|

Item IV Power

|     |                        |   |   |         |   |     |   |   |
|-----|------------------------|---|---|---------|---|-----|---|---|
| 101 | Water Works<br>General | installation of<br>water works for<br>1200 cba per hour<br>water-power at<br>Plittard | 12. January 1937<br>handwritten:<br>A 576 | 530.000 | - | Yes | - | - |
|-----|------------------------|---|---|---------|---|-----|---|---|

Item Va Anorganic materials

|     |                             |   |                 |           |   |     |   |         |
|-----|-----------------------------|---|-----------------|-----------|---|-----|---|---------|
| 424 | Grade A coal<br>( A-Kohle ) | Replacement of the western<br>Stroederwashers rotary<br>furnace I and replacement<br>of the power-motors by 2<br>motors | 12 January 1937 | 6.500.-   | - | Yes | - | -       |
| 423 | Grade A-coal<br>( A-Kohle ) | replacement of one lye-cooler   | 20 October 1936 | 5.300.-   | - | Yes | - | 3.228.- |
| 441 | Grade A-coal<br>(A-Kohle)   | Extention of the grade A-coal<br>store  | 12 January 1937 | 210.000.- | - | Yes | - | -       |



( page 4 of original, cont'd )

| No.<br>Category | Plant               | Description                        | sanctioned on   | Li      | Four Years<br>Plan | Within the<br>scope of the<br>Four Years'<br>Plan | Preliminary<br>project of<br>the Four Years'<br>Plan | Expen-<br>diture<br>1936 |
|-----------------|---------------------|------------------------------------|-----------------|---------|--------------------|---|--|--------------------------|
| 436             | (Chlorhydric)       | 1-500 liter<br>destillation boiler | 12 January 1937 | 2,300.- | -                  | Yes   | -  | -                        |
| 428             | (hydrofluoric acid) | Dust eliminating<br>plant          | 12 January 1937 | 4,400.- | -                  | Yes   | -  | -                        |

TRANSLATION OF DOCUMENT No. NI-2861  
CONTINUED

(Page 5 of original)

| No.<br>Category | Plant                         | Description   | sanctioned on          | RM        | I   | II  | III | Expenditure<br>1936 |
|-----------------|-------------------------------|---|------------------------|-----------|-----|-----|-----|---------------------|
| 429             | Fluoric acid                  | 1 dust elimination plant for elevator feed.   | 12 Jan 1937            | 1 300     | -   | yes | -   | -                   |
| 426 ?           | Sawing Salt                   | Blancosol apparatus plant, complete.  | 12 Jan. 1937<br>B 1087 | 210 000   | -   | yes | -   | -                   |
| 413             | Electrolysis type I           | 5 standard gauge tank-cars for caustic soda solution                                    | 20 Oct. 1936<br>B 1015 | 50 000    | -   | -   | yes | -                   |
| 419             | Electrolysis type I           | Expansion of chlorine electrolysis plant  | 20 Oct. 1936<br>B 1050 | 335 000   | -   | -   | yes | 20 620              |
| 390             | Electrolysis type I           | 2 Welded cells  | 22 April 1936          | 30 00     | -   | -   | yes | -                   |
| 444             | Chlorine electrolysis type II | Enlargement of the amalgam plant to produce an additional 300 tons of chlorine per year | 12 Jan. 1937<br>B 1103 | 2 515 900 | yes | -   | -   | -                   |

TRANSLATION OF DOCUMENT No. NI-2861  
CONTINUED

(page 5 of original, cont'd)

|     |                  |   |                           |           |                      |
|-----|------------------|---|---------------------------|-----------|----------------------|
| 382 | Sulphur trioxide | Replacement of the Herreshoff plant by rotary furnace, refrigerating plant and dryer. | 22 April 1936             | 1 083 500 | - - - yes<br>210 982 |
| 420 | Sulphur trioxide | Replacement of the manually operated Gravel furnace by a rotary furnace               | 20 October 1936<br>B 1059 | 1 153 500 |                      |
| 382 | Sulphur trioxide | Additional demands for the erection of the two rotary furnaces                        | 12 Jan. 1937<br>B 1094    | 680 500   |                      |

26

TRANSLATION OF DOCUMENT No. NI-2861  
CONTINUED

(Sixth Page of Document)

| No.<br>Category                                 | Plant  | Description                               | sanctioned on | RM        | I   | II | III | Expenditure<br>1936 |
|---|--|---|---------------|-----------|-----|----|-----|---------------------|
| <u>Title IVa Organic Intermediate Products.</u> |  |   |               |           |     |    |     |                     |
| 394   | <u>Tanning agents</u>  | New tanning plant<br>in H 16              | 12 Jan. 1937  | 3 000 000 | yes | -  | -   | -                   |
| 362   | <u>Tanning agents</u>  | Experimental plant<br>for Tanigon extra B | 20 Oct. 1936  | 48 000    | -   | -  | yes | 11,014              |
| 396   | <u>Phenolic tanning<br/>agents</u>   | Enlargement of the<br>phenol plant        | 12 Jan. 37    | 335 000   | yes | -  | -   | -                   |
| <u>Title XV b Plastics.</u>                     |  |   |               |           |     |    |     |                     |
| 26  | New laboratory for<br>natural rubber and<br>experimental plant<br>for Buna |   | 21 July 1936  | 3 800 000 | yes | -  | -   | 20 561              |

Note: The increase to RM 6 000 000 will be submitted to the  
Office of the Technical Committee for the next meeting,  
in accordance with the letter to Dir. Dr. ter MEER,  
dated 30 Dec. 1936.



(Seventh Page of Document)

Credits in connection with the Four Year Plan

| No.<br>Category                 | Plant                            | Description   | sanctioned on              | RM      | Uerdingen                       |                                       |  | Expenditure<br>1936 |
|---------------------------------|----------------------------------|---|----------------------------|---------|---------------------------------|---------------------------------------|--|---------------------|
|                                 |                                  |   |                            |         | Four<br>Years' scope of<br>Plan | Within the<br>the Four<br>Years' Plan | Preliminary<br>project of<br>the Four<br>Years' Plan |                     |
| <u>Title IIIe Laboratories.</u> |                                  |   |                            |         |                                 |                                       |  |                     |
| 5                               | Main laboratory<br>for Alkylals, | Enlargement of the<br>main laboratory   | 22 April 1936<br>A 72 A 80 | 300 000 | -                               | -                                     | yes  | 58 665              |
| <u>Title IV Power</u>           |                                  |   |                            |         |                                 |                                       |  |                     |
| 20                              | Water supply,<br>general,        | Provision of a<br>Rhine water<br>filtration plant<br>to provide 1000<br>cubic meters per<br>hour, including<br>intake system on<br>the Rhine. | 21 July 1936<br>A 78       | 110 000 | -                               | -                                     | yes  | 24 462              |
| 21                              | Power station                    | Enlargement of<br>the electric dis-<br>tributor plant.  | 20 Oct. 1936<br>A 81       | 250 000 | -                               | -                                     | yes  |                     |
| 22                              | Steam, general                   | Laying a steam<br>pipe-line   | 2 Jan. 1937<br>A 87        | 45 600  | -                               | yes                                   | -  | 11 000              |

(Seventh Page of Document - Cont'd)

Title V a - Inorganics

|      |                          |  |                        |         |   |     |     |        |
|------|--------------------------|--|------------------------|---------|---|-----|-----|--------|
| 62 ? | Ferric oxide             | Raymond - mill<br>with accessories.  | 20 Oct. 1936<br>B 163  | 105,000 | - | yes | -   | 12 438 |
| 55 ? | Ferric oxide<br>pigments | Enlargement of the<br>ferric oxide plant.                                    | 21 July 1936           | 723,000 | - | -   | yes | 39 529 |
| 56 ? | Hydrochloric<br>acid     | 1 Tank depot for<br>stockpiling Hydro-<br>chloric acid                       | 21 July 1936<br>13 148 | 155,000 | - | -   | yes | 60 324 |
| 51   | Sulphuric acid           | Replacement of the<br>gasdrying and<br>drying apparatus<br>by a modern plant | 22 April 1936<br>B 136 | 550,000 | - | -   | yes | 31 770 |

(Eighth Page of Document)

| No.<br>Category | Plant          | Description   | sanctioned on         | RM      | I | II | III | Expenditure<br>1936 |
|-----------------|----------------|---|-----------------------|---------|---|----|-----|---------------------|
| 59              | Sulphuric acid | Replacement of 2<br>Tentelon coolers<br>by a modern gas<br>cooler | 20 Oct. 1936<br>B 159 | 140 000 | - | -  | yes | 216.-               |
| 60              |                | For F.G.R. tubing<br>used in gas puri-<br>fication                | 20 Oct. 1936<br>B     | 30 000  | - | -  | yes | -                   |

Title: VI a Organic Intermediate Products

|    |             |                 |                       |        |   |     |   |       |
|----|-------------|-----------------|-----------------------|--------|---|-----|---|-------|
| 89 | Mixed acids | 1 Aluminum tank | 20 Oct. 1936<br>B 153 | 17 500 | - | yes | - | 462.- |
|----|-------------|-----------------|-----------------------|--------|---|-----|---|-------|

(Eighth Page of Document - Cont'd)

Title XV b Plastics.

|    |          |  |                       |         |         |          |
|----|----------|--|-----------------------|---------|---------|----------|
| 12 | Alkydal  | Mechanical cleansing<br>plant for 500 Hohbocks<br>per day                    | 20 Oct. 1936<br>B 164 | 112 000 | - yes - | 374.-    |
| 11 | Alkydal  | Erection of a 300 cubic<br>meter tank for linseed oil                        | 20 Oct. 1936<br>B 162 | 24 000  | - yes - | -        |
| 13 | Plastics | 2 presses for ply-wood<br>bonding with <u>Kaurit</u>                         | 12 Jan. 1937<br>B 166 | 13 500  | - yes - | -        |
| 10 | Alkydal  | Provision of a Nitrogen<br>producing plant according<br>to the Linde process | 21 July 1936<br>B 147 | 95 000  | - - yes | 18 193.- |



TRANSLATION OF DOCUMENT No. NI-2861  
CONTINUED

(Ninth Page of Document)

Credits in connection with the Four Year Plan

Duisburger Kupferhütte

| No.<br>Category             | Plant                 | Description                                   | sanctioned on                          | RM        | Four<br>Year<br>Plan | Within the<br>scope of<br>the Four<br>Years' Plan | Preliminary<br>project of the<br>Four Years' Plan | Expenditure<br>1936 |           |         |
|-----------------------------|-----------------------|---|--|-----------|----------------------|---|---|---------------------|-----------|---------|
| <u>Title Va Inorganics.</u> |                       |   |  |           |                      |   |   |                     |           |         |
| 49                          | Gold extraction works | Gold extraction works                         | 5 March 36<br>3 Sept. 36<br>12 Jan. 37 | 850 000   | }                    | -   | -   | yes                 | 1 080 000 |         |
| 56                          | Lead extraction works | Lead extraction works                         | do.                                    | 1 150 000 |                      | }   |   |                     |           |         |
| 1                           | Lead smelting works   | Lead smelting works                           | 22 April 1936                          | 375 000   |                      |   | -   | -                   | yes       | 196 000 |
| 66                          | Gold cementation      | 1 Gold cementation drum                       | 21 July 1936                           | 80 000    | -                    | -   | yes   |                     | 3 000     |         |
| 76                          |                       | Copper removing plant for plated scrap-metal. | 12 Jan. 37                             | 250 000   | -                    | yes   | -   | -                   | -         |         |

(Tenth Page of Document)

TRANSLATION OF DOCUMENT No. NI-2861  
CONTINUED

Credit in connection with the Four Year Plan

| No.<br>Category | Plant | Description | sanctioned on | R <sup>u</sup> | Four<br>Years'<br>Plan | Within the<br>scope of<br>the Four<br>Years' Plan | Preliminary<br>project of<br>the Four<br>Years' Plan | Expenditure<br>1936 |
|-----------------|-------|-------------|---------------|----------------|------------------------|---|--|---------------------|
|-----------------|-------|-------------|---------------|----------------|------------------------|---|--|---------------------|

Title    XV b    Plastics

|    |          |  |             |        |   |     |   |           |
|----|----------|--|-------------|--------|---|-----|---|-----------|
| 14 | Plastics | Enlargement of<br>the Benzyl Cellulose<br>plant. | 12. Jan. 37 | 73 500 | - | yes | - | 11 747. - |
|----|----------|--|-------------|--------|---|-----|---|-----------|

26

(Eldventh Page of Document)

| Credits to be considered for the Four Year Plan |             |  |                  |                 | Dormagon       |                                    |                               |               |
|---|-------------|--|------------------|-----------------|----------------|------------------------------------|-------------------------------|---------------|
| Pos.  | Plant       | Designation  | Approved on:     | RM              | Four Year Plan | In the sense of the Four Year Plan | Predecessor to Four Year Plan | Expenses 1936 |
|   |             |  | <u>Title IV</u>  | <u>Energios</u> |                |                                    |                               |               |
| 166   | Power plant | Expansion of production of steam                             | 22 April 36      | 910,000         | -              | yes →                              | -                             | 58,126        |
|   |             |  | <u>Title XVa</u> | <u>Rayon</u>    |                |                                    |                               |               |
| 204   | Cuproma     | 1 Cuprama spinning machine                                   | 20 Oct. 36       | 205,000         | -              | yes                                | -                             | 23,994        |
| 198   | "           | 10 filter presses  | 20 Oct. 36       | 50,000          | -              | yes                                | -                             | 6,244         |
| 199   | "           | 2 color mixing aggregates                                    | 20 Oct. 36       | 30,000          | -              | yes                                | -                             | 1,672         |
| 200   | "           | 2 large mixers   | 20 Oct. 36       | 40,000          | -              | yes                                | -                             | 9,567         |
| 202   | "           | Enlargement of the plant on hand for water for precipitation | 20 Oct. 36       | 20,000          | -              | yes                                | -                             | -             |
| 197   | "           | Expansion of the twinery                                     | 20 Oct. 36       | 300,000         | -              | -                                  | yes                           | 43,579        |
| 201   | "           | Threofold funnel for 21 spinning machines                    | 20 Oct. 36       | 100,000         | -              | -                                  | yes                           | 24,463        |
| 203   | "           | Adjust 42 spinning machines to drawing-off rollers           | 20 Oct. 36       | 210,000         | -              | -                                  | yes                           | 797           |

26

(Twelfth Page of Document)

| No.<br>Category            | Plant  | Description  | sanctioned on         | RM       | I | II | III | Expenditure |
|----------------------------|--------|--|-----------------------|----------|---|----|-----|-------------|
| <u>Title XV b Plastics</u> |        |  |                       |          |   |    |     |             |
| 189                        | Cellit | Fourth Vacuum-Scoop<br>drying plant  | 21 July 36<br>B 984   | 95 000.- | - | -  | yes | 29.098,-    |
| 188                        | Cellit | Silk 2 Dilute acid containers<br>30 cubic meters malle-<br>able iron, rubberized | 21 July 1936<br>B 984 | 35 000   | - | -  | yes | 13.209.-    |
| 187                        | Esko   | 2 Aluminum storage con-<br>tainers for glacial<br>acetic acid                    | 21 July 1936          | 34 000   | - | -  | yes | 18.181,-    |

66



(Thirteenth Page of Document)

| Credits to be considered for the Four Year Plan |          |                                       |                          |                    |                   | Titanium Factory Co.                        |                                     |                                |
|---|----------|---------------------------------------|--------------------------|--------------------|-------------------|---|-------------------------------------|--------------------------------|
| Pos   | Plant    | Designation                           | Approved on:             | RM.<br>I.G. Share  | Four Year<br>Plan | In the<br>sense of<br>the Four<br>Year Plan | Predecessor<br>to Four<br>Year Plan | Expenses<br>1936               |
| 26  | Titanium | Expansion of the<br>titanium factory  | 15 Jan. 35<br>12 Jan. 37 | 625,000<br>205,000 | -<br>-            | -<br>-                                      | yes<br>yes                          | 60,432<br>( 210,519.--<br>1935 |
| 46  | "        | 33 % of the acid<br>resisting chimney | 12 Jan. 37               | 18,000             | -                 | yes   | -                                   | -                              |
| 47  | "        | Packing and silo<br>installation      | 12 Jan. 37               | 426,500            | -                 | yes   | -                                   | -                              |

35

TRANSLATION OF DOCUMENT No. NI -2861  
CONTINUED

CERTIFICATE OF TRANSLATION

29 July 1947

We, Arthur MACNAMARA, Civ. No. 20 191, John FOSBERRY, Civ. No. 20 179  
hereby certify that we are thoroughly conversant with the English and  
German languages and that the above is a true and correct trans-  
lation of the document No. NI-2861.

.....  
Arthur MACNAMARA  
Civ. No. 20 191

.....  
John FOSBERRY  
Civ. No. 20 179.

Minutes of the

Meeting of Technical Directors, held in Frankfurt/Main Hoechst  
on 11 January 1937

Those present were Messrs.: Hermann

Jachne

Kraenzlein ( part of the time )

Lautenschlaeger

Jacobi

Pfaffendorf

( Initial ) - H

Roth

Steib

( part of the time )

Engelbortz

Fehrlé

Rogenboecker

Linders

Hosor

( part of the time )

Hirschel

Hermann announced the transfers of the following chemists:  
Schneider ( Zahn's Laboratory ) and Lang ( FZW Laboratory )  
transferred to the Pharmaceutics Department as works chemists;  
Jahn ( Plastics laboratory ) was transferred to the Acetic Acid  
Department as laboratory chemist and Petri ( Main Laboratory West )  
to the Indigo Department as works chemist. In addition, arrangements  
had been made whereby Hermann III ( Pharmaceutics Department )  
would be transferred to the Indigo Department after 3-4 months;  
Stroock ( Main Alizarine Laboratory ) to the Experimental Room,  
and Fink ( Experimental Room ) to the Analytical Laboratory, should  
the need arise. A decision would be taken later on the transfer of  
Fitzly ( FZW Laboratory ) to the Acetic Acid Department.

Hermann drew attention to the fact that the erection of the  
Glycerogen plant must be effected with all possible speed.

Hosor announced two letters from the Central Accounts Department,  
on the subject of the sums written off during 1936 to meet costs  
of depreciation of short-lived equipment.

Hoechst intended to adopt the following procedure:

- a) The amortization of the new plants which were to be put into  
operation only in the course of January-February 1937 was to  
be commenced as early as 1936.
- b) The sums written off for depreciation of short-lived apparatus,  
which, in 1936 had been charged to special experiments or new  
fields of operation,

( page 2 of original )

were to be entered in the " Short-Lived Apparatus " ledger.

- a) The factory Accounts Department would make these entries without altering any previous balance of accounts.
- c) Wherever book values from previous years still appeared in the " Short-Lived Apparatus " ledger, they would be written off completely in 1936.
- d) The equipment of the experimental rooms was to be considered as " short-lived " apparatus and was to be finally written off in 1936.

The Chemical Committee had suggested that all projects connected with the Four Year Plan should be written off in less than ten years. The projects under consideration for the Middle Rhine works combine would be discussed.

The estimates of costs which were submitted were approved, subject to the following modifications:

Item 27 Air Raid Precautions RM 6,600.- At first only 2 windows were to be fitted with black-out equipment. Thus the estimate would be reduced to RM 900.-

Item 33 Washeries and Showers in S. 90 RM 28,000.- Jaehne would examine this item.

Item 34 Washeries and Showers in Ch 66 RM 6,100.- Jaehne would examine this item.

Item 49 Blue Aniline Dyestuffs Five Bank Roller Mill RM 14,700.- Investigations were to be made to establish whether larger units could not be set up.

Item 52 Nubilosin A 3 RM 65,000.- This item would be postponed for the time being, until the results of the experiments in Hainke/Krause-Apparat were available. This would be in three weeks' time.

Item 55 A 4 Monster Press RM 11,500.- + 5,900.-  
The need for the setting up of a Monster Press was to be examined.

Item 114 ( Biebrich ) Plant for the preparation of sulphuric acid.  
Hoechst would give the benefit of its practical experience. For this purpose, Staib would get into contact with Biebrich.



( page 3 of original )

The following were provisionally approved :

|         |                         |
|---------|-------------------------|
| Item 42 | Methyl RM 3,300 + 750.- |
| Item 66 | Centan RM 32,000.-      |

In addition, the following estimates were approved :  
Ethylacetate, 2 reserve pumps RM 2,900.- ( Repair )  
Knapsack, extension of the nitrogen of lime silos 3 -RM 640,000.-  
The estimate for Gersthofen - repair of roof and increase of height of building - had been reduced and was approved.

In the Hoechst Works there were several alcohol distillation plants (reclamation). Hilcken and Hotz would conduct investigations to discover whether the reclamation of alcohol could be effected in one single place.

For Meer's letter on the making available of engineers for the Buna Works was dealt with by Jachne.

Information was given on the contracts concluded by I.G. during the last few months.

Hermann gave a report on the meeting of Sparte II, held on 5 January 1937. The possibility of producing phenol from chlorobenzene was to be examined more closely from the technical point of view.

Grim reported that the Office for Raw Materials and Synthetics was preparing for several meetings (to deal with explosives and poison gases, substitute leather and tannin, resins and lacquer, stones and earths, mineral oils).

As 90-95% of the employees of Mainkur and Gersthofen were at present working 48 hours per week, a 46 hour week would be introduced in these works for a limited period, as long as orders in hand demanded it. A 46 hour week would be worked in Offenbach during January and February 1937.

The 46 hour week as a general principle was as yet not in question as far as Hoechst was concerned, since 58% of the works staff in the dyestuffs plants were still working a 46 hour week.

In a letter to Siedler of Griesheim, Professor Jander had asked for support in the establishment of his laboratory. His request could not be complied with.

On the occasion of his visit to Vordingen,

( page 4 of original )

Hagenboecker would inspect the acetylation plant.

Haffendorf reported on the last monthly conference of the Office of the Technical Committee.

Rath gave a report on the conference held at the headquarters of the Monopoly Administration Office, on the subject of the alcohol contract; a ten-year sales guarantee was provided for.

Fehle informed the participants that, with the help of the old plant, a 50% increase in acetic acid ester production could be carried out at a cost of approximately RM 25,000.

In addition, Fehle reported on a traffic accident, in which a young workman was killed by a Reichspost car on one of the factory lanes. The factory administrative authorities were to set up "Drive Carefully" signs at all danger points on the factory lanes.

Lautenschlaeger made a report on contracts concluded with Professor Helferich of Leipzig on ascorbic acid and with Honorary Lecturer Hofmann of Duesseldorf on adrenal gland preparation.

Difficulties had been encountered in the procurement of Menier-iron. Gebhardt would report to Hofmann on the situation every four weeks.

Signature : Hirschel

14.1.1937 Kl.

-----  
CERTIFICATE OF TRANSLATION

31 July 1947

I, Daryl C. BESHICK, D 427459, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of the document No. NI-5899.

Daryl C. BESHICK  
D 427459

51st Meeting

of the Aufsichtsrat of the I.G. Farbenindustrie Aktiengesellschaft held on the 2 June 1939, 11 a.m. in the administration building of the plant in Leverkusen.

Present were all members of the Aufsichtsrat with the exception of Dr. Walter von BRUNING.

Agenda.

1. Submitting of the Minutes of the previous meeting.
2. Report of the Vorstand on the past business year.
3. Submitting of the auditor's report and of the annual report for 1938 and passing of a resolution on the annual balance submitted by the Vorstand, and on the proposal to be submitted to the stockholder's meeting concerning the distribution of the net profit.
4. Drawing up of the Aufsichtsrat's report to the stockholder's meeting.
5. Notification of the date of the stockholder's meeting and of the agenda for the stockholder's meeting.
6. Proposal for the election of the auditor for the business year of 1939.
7. Sundries.

Before entering into the agenda, the chairman, Geheimrat BOSCH, representing the Aufsichtsrat and the Vorstand, congratulated Kommerzienrat BRUNCK on account of his 50 years' service jubilee.

Following, Herr von RATH remembered the 40 years' service jubilee of Geheimrat Prof. Dr. BOSCH, and asked Mr. BOSCH to accept the supplementary congratulations of the Aufsichtsrat.

Then the agenda was entered into.

To point 1) of the agenda:

Dr. BUHL read the report on the meeting held on 12 December 1938. No objection against the draft was made.

(Page 2 of original)

To point 2) and 3) of the agenda:

Geheimrat SCHEITZ gave a comprehensive survey of the development of our business during the year 1938 and during the first quarter of 1939. As a result of the extension of our production plants and research departments and of the acquisition of shares made necessary pursuant to the annexation of Austria and the Sudetenland, our financial resources had to be strongly called upon, so that the subscription of the loan, which the Aufsichtsrat had approved previously, would now take place.

The total turnover increased, and in spite of all difficulties the export in the year 1938 was only a little lower than the export in 1937. As a result of lack of freight space rather than of scarcity of goods the difficulties in the supply of raw materials increased, and could only be

overcome without serious disturbances thanks to our stocks. The number of employees of the I.G. inclusive Merseburg, Kalle, Knapsack and the pits, went up in 1939 by 8,965 persons and in the first quarter of 1939 by another 3,939 persons, so that the total number was now 156,652 persons. As a result of this and of the increasing scarcity of workers, which forced us to take in workers from other districts and thereby to develop an extended housing activity, the social expenses increased considerably.

The turnover developed in a gratifying manner during the first four months of 1939, so that the cash resources increased by about 80 million marks.

Finally Geheimrat SCHMITZ reported about the Carl-Bosch foundation, decided upon by the Vorstand at the 40 years' service jubilee of Geheimrat BOSCH, to which the Aufsichtsrat gave his supplementary approval.

After that Geheimrat SCHMITZ read out the auditor's report on the annual balance and on the business report of the Vorstand and gave further explanations on the annual balance submitted to the members of the Aufsichtsrat and inclosed as annex to this document; Dr. BUHL read out the report drawn up by the Vorstand for the business year 1938.

(Page 3 of original)

No objections having been raised neither against the annual balance nor against the business report of the Vorstand, the chairman accordingly stated that the Aufsichtsrat approved unanimously the annual balance as well as the proposal to be submitted to the stockholders' meeting concerning the distribution of the net profit.

Mr. von BOETTINGER and State Minister SCHMIDT-OTT expressed the Aufsichtsrat's thanks to the Vorstand and all his co-workers. A few questions asked by Mr. von BOETTINGER, concerning the German-English industrial negotiations, our Russian business and wage and salary scales were answered by Dr. von SCHITZLER and Dr. SCHNEIDER.

To point 4) of the agenda:

Dr. BUHL read out the draft of a report of the Aufsichtsrat, also enclosed in the annex; the Aufsichtsrat agreed.

To point 5) of the agenda:

Geheimrat BOSCH notified, that the Vorstand had decided, to call in the stockholders' meeting on the 23 June 1939 11 hrs. a.m. in Frankfurt on the Main, with the following agenda:

1. Submitting of the annual balance and the business report for 1938 with the report of the Aufsichtsrat and passing of the resolution concerning the distribution of the profit.
2. Discharge of the Vorstand and the Aufsichtsrat.
3. Elections for the Aufsichtsrat.
4. Election of an auditor for the business year 1939.

To point 6) of the agenda:

Geheimrat BOSCH notified that the Vorstand had decided to propose Dr. Richard KAROLI to the stockholders' meeting as auditor for the business



TRANSLATION OF DOCUMENT NO. NI-8202  
Cont'd

year 1939, and asked to leave the proposal of a deputy to the Vorstand in agreement with the chairman of the Aufsichtsrat. The Aufsichtsrat agreed.

(Page 4 of original)

To point 7) of the agenda:

Geheimrat SCHMITZ reported on the proposal made by the Aufsichtsrat committee concerning distribution of the Aufsichtsrat-share. According to it each member of the Aufsichtsrat should receive a per-head share for the time of his being a member of the Aufsichtsrat during the business year, the entering and quitting the Aufsichtsrat being reckoned effective as from the end of the month. To the resulting number of points (equaling number of per-head-shares) 14.25 points were added for 1938 and from 1939 12 points were added at the disposal of Aufsichtsrat committee. The Aufsichtsrat decided according to this proposal.

(Signed) Dr. BUHL

CERTIFICATE OF TRANSLATION

I, Dr. Stefan F. HORN, Civ., 20004, hereby certify that I am thoroughly conversant with the English and German languages; and that the above is a true and correct translation of Document No. NI-8202.

Dr. STEFAN F. HORN  
Civilian  
20004

END

AFFIDAVIT

I, Dr. Werner HIGERT, at present living in Hilchenbach, Westphalia, Gerberstrasse 168, employed from 1937 to 1939 with the Mobilization Department of the Economic Group Chemical Industry, after having been warned that I am liable to punishment for false statements, herewith declare voluntarily and without coercion:

1. I have been shown the " Projects of General Planning " ( " Vorhaben der Gesamt-Planung " ) published by the Office for German Raw materials and Plastics, dated 27 May 1937. The document is marked EC-281.

2. Page 27 of this document is headed " Survey of Financing Measures by the Office for German Rawmaterials and Plastics for the Period from 23 October 1936 to 20 May 1937, inclusive." From this survey the following can be seen:

The amounts to be invested within the Four-Year-Plan by the office for German Rawmaterials and Plastics during the period from 23 October 1936 to 20 May 1937 came to a total of 959,162,000.- Reichsmarks.

In the following table I have analyzed this amount in such a manner that for the various fields of industry the first column gives the amounts pertaining to chemicals, and the second the amounts invested in non-chemical enterprises. This then shows the following :

|                             | Total in Billion Reichsmarks |        |
|-----------------------------|------------------------------|--------|
| 1. Shipping                 | -                            | 1,5    |
| 2. Power                    | 51,65                        | -      |
| 3. Mineral Oils             | 573,689                      | -      |
| 4. Research and Development | 0,176                        | 0,176  |
| 5. Iron, non-Ferrous Metals | -                            | 39,273 |
| 6. Textiles                 | 70,949                       | -      |
| 7. Wood                     | -                            | 40,75  |
| 8. Chemicals                | 177,775                      | -      |
| 9. Explosives               | 3,4                          | -      |
|                             | 877,639                      | 81,699 |

( page 2 of original )

For the chemical side of the Four-Year-Plan, therefore, during  
the period mentioned, Reichsmarks 877,639,000.--

were spent, and for the non-chemical  
side, 81,699,000.--

It follows that the projected investments for chemical production  
amounted to 91.5% of the total investments to be made under the  
Four-Year-Plan. As can be seen from the other affidavit sworn  
to by me under today's date, and marked Document No. NI-10035,  
the share of I.G. in the investments for the chemical side of  
the Four - Year- Plan amounts to 72.7%.

It follows that 66.5% of all amounts to be spent under the  
Four-Year-Plan for the entire German industry during the period  
from 23 October 1936 to 20 May 1937 were to be used for I.G.-  
Farbenindustrie projects.

I have carefully read each of the 2( two ) pages of this affidavit  
and signed them with my own hand, have made the necessary  
corrections in my own handwriting, and have countersigned them  
with my initials, and I herewith declare under oath that in this  
affidavit I have stated the whole truth to the best of my  
knowledge and belief.

( signature ) Dr. Werner Hagert

Dr. Werner HAGERT

Sworn to and signed before me this 25th day of July 1947 at the  
Palace of Justice, Nurnberg, Germany, by Dr. Werner HAGERT,  
known to me to be the person making the above affidavit.

( signature ) Otto Heilbrunn

Dr. Otto HEILBRUNN  
ETO 30 140  
Office of Chief of Counsel  
for War Crimes  
US War Department.

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CERTIFICATE OF TRANSLATION

29 July 1947

I, Walter K. GALEWSKI, ETO 20 145, hereby certify that I am  
thoroughly conversant with the English and German languages and  
that the above is a true and correct translation of the  
document No. NI-10036.

Walter K. GALEWSKI  
ETO 20 145

Affidavit.

I, Dr. Werner Hagert, at present living in Hilchenbach, Westfalia, Gerberstrasse 168, employed from 1937 - 1939 in the Mobilization Department of the Economic Group Chemical Industry, having been duly warned that I am liable to punishment for false statements, herewith declare the following, voluntarily and without coercion:

1. I have been shown the "Projects of general Planning" (Vorhaben der Gesamtplanung) published by the Office for German Raw Materials and Synthetics, and dated 27 May 1937 and 1 February 1938. These documents are marked EC-261 and NI-6769.
2. The Office for German Raw Materials and Synthetics was the nucleus of the Four Year Plan and defined for German Industry the construction plans under the Four Year Plan.
3. Guided by the "Projects of general Planning" of 1937, I have established the extensions projected within the Four Year Plan of production capacities for all chemical products which were envisaged in the Plan for I.G. and for the rest of the German Industry. Furthermore, I have established, from the same source, the amounts to be invested in the extension of production capacities; where figures for 1937 were not available, I have taken the figures from the 1938 "Projects" as a basis. In these cases, I have marked the item in question in the following table accordingly.

In the table, I have considered as belonging to I.G. all those works which are either works within the I.G. combine, or were operated by I.G. and lastly, all those firms in which I.G. had a share of capital exceeding 30%. In these cases, the works are counted as belonging entirely to I.G.. If the share amounted to less than 30%, I have stated only the percentage of the share belonging to I.G.. Those stand-by plants and factories

(page 2 of original)

in the case<sup>on</sup> which no decision had been reached as to which firm should construct and operate them, have not been included in the table. The total amount of money which was to be invested, within the chemical sphere, amounts to RM 177 million.

The result of my examination is shown in the following table. The first column gives the products, the second the extension of production capacities intended to fall to I.G., the third the extension of production capacities intended to fall to the remainder of the German Industry. From the fourth column, the amount needed to finance the extensions of individual production capacities can be seen, from the fifth, the amount to be expended by the remainder of the German Industry for this purpose. The sixth column shows I.G.'s share in the financing of the total German construction plans for the products in question, expressed as percentages.



TRANSLATION OF DOCUMENT No. NI-10035  
CONTINUED

(page 2 of original cont'd)

| Products:   | Extension of Production Capacities in 1,000 tons per year |                 | Amounts to be Invested in million RM |                 | I.G.'s share in the Total German Program expressed as % |
|---|---|-----------------|--------------------------------------|-----------------|---|
|   | I.G.  | Rest of Germany | I.G.                                 | Rest of Germany |   |
| Cellulose as primary product for textiles             | 36  | 20              | 13,5                                 | 7,5             | 64  |
| Cellulose wool  | 29,5  | 74,1            | 32,83                                | 27,2            | 54,7  |
| Magnesium   | -   | -               | 18                                   | -               | 100   |
| Fatless Detergents                                    | 60  | -               | 57                                   | -               | 100   |
| Synthetic Tannins                                     | 29,5  | -               | 23                                   | -               | 100   |
| Soot, Coal-Gas-Soot                                   | -   | -               | 16,5                                 | 0,1             | 99,5  |
| Guts, in million metres                               | 93,3  | 123,3           | 1,3                                  | 0,85            | 60  |
| Caoutchouc  | 96  | -               | 694                                  | -               | 100   |
| Carbide Spirit  | 93  | -               | 60                                   | -               | 100   |
| Mineral Oils  |   |                 |                                      |                 |   |
| a. Completed Plant                                    | 857(*)  | 82,5            | (*) 91,25                            |                 |   |
| b. Projects under construction                        | 900   | 572,5           | 437,5                                | 348             | 55,7  |
| c. Projects under consideration                       | 1029  | 144,5           | 520                                  | 75              | 37,4  |
| * Sulphuric Acid in SO <sub>3</sub> (Contact Process) | 217,5   | 233,8           | 21,5                                 | 23              | 46,2  |
| * (Chamber Process)                                   | -   | 56              | -                                    | 2,50            | -   |
| Soda  | 131   | 432             | 7                                    | 23              | 23,3  |
| Caustic Soda  | 30  | 109,6           | 3,65                                 | 13,35           | 21,5  |
| Highly Concentrated Nitric Acid (without Mohrm.)      | 8,5   | -               | 11,2                                 | -               | 100   |
| Caustic Soda, electrolytic                            | 93,9  | 20,9            | 30                                   | 7               | 82  |
| Chlorine  | 81,8  | 22,8            |                                      |                 | -   |
| Dechlorination of Lino                                | 80  | 80              | 28                                   | 28              | 50  |
| Cracking Plant for Ethylene                           | 16,5  | 14,6            | 27                                   | 27              | 50  |
| Primary Ammonia and Methanol                          | 57  | -               | 60                                   | -               | 100   |
| * Ammonia   | 75  | -               | 10                                   | -               | 100   |
| * Extension of Carbide                                | 90  | 1,6             | 6                                    | 0,12            | 98  |
| * Ethylene  | 17,4  | -               | 10                                   | -               | 100   |
| * Primary Products for Buna and Synthetics            | 6,6   | -               | 3,06                                 | -               | 100   |
| * Primary Products for Chemicals                      | 36  | -               | 7,22                                 | -               | 100   |
| * Respirator Charcoal                                 | 1,1   | -               | 0,4                                  | -               | 100   |
| * Primary Products for Explosives:                    |   |                 |                                      |                 |   |
| Diglycol  | 29,6  | -               | 70                                   | -               | 100   |

( page 3 of original )

| Products:  | Extension of Production Capacities in 1,000 tons per year |                 | Amounts to be Invested in million RM |                 | I.G.'s share in the Total German Program expressed as % |
|--|---|-----------------|--------------------------------------|-----------------|---|
|  | I.G.  | Rest of Germany | I.G.                                 | Rest of Germany |   |
| carried forward:                                       |   |                 | 2168,66                              | 582,62          |   |
| *Primary Products for Chemical Warfare: Thiodyglycol   | 23  | -               | 78,5                                 | -               | 100   |
| *Primary Products for Explosives: Pentacerythrite      | 3   | 4,8             | 14                                   | 16              | 47  |
| *Primary Products for Synthetics with Carbide as Base  | 29,94   | -               | 17,81                                | -               | 100   |
| *Primary Products for Synthetics with Ethylene as Base | 15,65   | -               | 6,23                                 | -               | 100   |
| *Diluted Nitric Acid                                   | 10,6  | 41,3            | 4,6                                  | 1,45            | 76  |
| *Phenol and Kresol                                     | 14,4  | 20,4            | 0,63                                 | 13,07           | 6   |
| *Sulphur   | 4,5   | 62,3            | 0,55                                 | 7,45            | 7   |
| *Plants for Processing of Nitrogen                     | 6   | 2               | 5,4                                  | 1,3             | 80  |
| Acetic Acid  | 18  | -               | 15                                   | -               | 100   |
| Carbon Disulphide                                      | 22,8  | 63,3            | 2,02                                 | 3,58            | 36  |
| High Grade Cellulose for Linters                       | 9   | 27              | 5,5                                  | 12              | 31  |
| Casoline   | -   | 9               | -                                    | 1,17            | -   |
| Soft Coal Low Temperature Tar Extraction               | 50  | 434,5           | 12                                   | 202,1           | 5,6   |
| Synthetic Lubricants                                   | 1,5   | 6               | 2,5                                  | 4,0             | 38  |
| Bituminous Coal Low Temperature Tar Extraction         | -   | 49              | -                                    | 15,7            | -   |
| Other Mineral Oil Products                             | 0,36  | 55,3            | 0,3                                  | 6,0             | 1,4   |
| Methyl Alcohol   | -   | 9,2             | -                                    | 6,25            | -   |
| Spirit from Sulphite Waste Liquor                      | -   | 6,2             | -                                    | 2,25            | -   |
| Resin Production                                       | -   | 20              | -                                    | 0,72            | -   |
| Resin Extraction                                       | -   | 2,2             | -                                    | 0,7             | -   |
| Medicaments  | -   | -               | -                                    | 1,15            | -   |
| *Glowing Phosphate                                     | -   | 4               | -                                    | 0,3             | -   |
| *Sodium Silicate                                       | -   | -               | -                                    | -               | -   |
| fluorine   | -   | 0,92            | -                                    | 0,23            | -   |
|  |   |                 | 2333,90                              | 578,04          |   |

\* Statistics taken from the 1938 Plan.

TRANSLATION OF DOCUMENT No. NI-10035  
CONTINUED

(page 3 of original cont'd)

As can be seen from the comparison of the totals recorded in columns 4 and 5, I.G.'s share in the total of money to be invested in the above chemical products amounts to 72,7 %. If mineral oils are excluded from the table given above, as being not a strictly chemical product, I.G.'s share in the planned strictly chemical total investments amounts to 85,7 %.

I have read each of the four pages of this statement carefully and signed them with my own hand, I have made the necessary corrections in my own handwriting and initialled them myself and herewith declare on oath that I have stated, in this affidavit, the whole truth to the best of my knowledge and belief.

(page 4 of original)

Signature: Dr. Ing. Werner Hagert  
Dr. Werner HAGERT

Sworn to and signed before me this 25th day of July 1947 at the Palace of Justice, Nurnberg, Germany, by Dr. Werner HAGERT, known to me to be the person making the above affidavit.

Signature: Otto Heilbrunn  
Dr. Otto HEILBRUNN  
ETO 30140  
Office of Chief of Counsel  
for War Crimes  
US War Department.

CERTIFICATE OF TRANSLATION

29 July 1947

I, WALTER K. GALEWSKI, ETO 20145, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of the document No. NI-10035.

WALTER K. GALEWSKI, ETO 20145.

-4-  
"END"

Case 6  
after Dec. 31-10036  
Dec. 32-36

TRANSLATION OF DOCUMENT No. NI-10035  
OFFICE OF CHIEF OF COUNSEL  
FOR WAR CRIMES

ERRATA SHEET

Page 2 of the English translation of the document No. NI-10035  
the figures for "Cracking Plant for Ethylene" should read:

|                |      |      |      |      |      |
|----------------|------|------|------|------|------|
| .....          | .... | .... | .... | .... | .... |
| Cracking Plant | 18,5 | 18,5 | 27   | 27   | 50   |
| for Ethylene   | .... | .... | .... | .... | .... |
| .....          | .... | .... | .... | .... | .... |

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Errata sheet prepared by:

JOHN J. BOLL  
U.S. Civilian  
AGO No. A-444412

- END -

44 a



TRANSMISSION OF DOCUMENT NO. NI-9656  
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES

Affidavit.

I, Paul KOERNER, State Secretary in the Four Year Plan from 1936 - 1945, after having been warned that I shall be liable to punishment for making a false statement, herewith declare the following under oath of my own free will and without coercion:

1. The actual preliminary work for the Four Year Plan was started in the middle of 1936 by listing existing production capacities and planning for production capacity expansions in the fields affected by the Four Year Plan. To start with, these plans merely determined which expansions were necessary. At that stage it was not yet determined which firms were to be expanded.

The plans for this preliminary work were forwarded to the Reich Ministry of Economics in their present form, which in turn sent them to the various Reich Offices (Reichsstellen) of the interested industrial groups, and, for the chemical sector, sent them to the Reich Office Chemistry or Mineral Oil for discussion with the interested firms. These firms then determined in individual negotiations with the Reich Office, which building projects they wanted and were able to carry out. At the same time these firms made known what guarantees by the Reich in regard to demand and price, what alleviation of taxes or lowering of taxes, and what Reich loans they would demand for the execution of the building projects, and how many workers and how much material they would need for this. The proposals by the industry were then returned to the Reich Ministry of Economics or to the Office for German Raw and Industrial Materials; the Reich Ministry of Economics forwarded financial requests of the industry to the Reich Ministry of Finance, while the requests for the supply of material and workers were forwarded to the Office for German Raw and Industrial Materials.

2. In the fall of 1936 it became evident that the Iron Producing Industry under the leadership of WOGLER, WENZEL, and others was not willing to open up the Salzgitter area within the framework of the Four Year Plan.

(page 2 of original)

Despite all GOERING's protests they maintained their negative attitude. The Iron Producing Industry was therefore only to a relatively small extent engaged in projects of the Four Year Plan, and the planned large projects in this field were carried out by the Hermann Goering Werke which were founded for this purpose in 1937. The building costs for the Hermann Goering Werke amounted to approx. 1500 million RM up to 1942.

TRANSLATION OF DOCUMENT No. NI-9656  
----- CONTINUED -----

(page 2 of original cont'd)

3. The raw material plan was mainly based on three industrial groups: the Coal Industry, the Iron Producing Industry, and the Chemical Industry. As the existing German coal production capacities for 1937 were sufficient, and as the Iron Producing Industry refused to collaborate in the Salzgitter project, the I.G. and their licensed firms had the largest share in the expansion projects of the raw material plan within the Four Year Plan 1937. As is known, the I.G. was willing to support the Four Year Plan projects at any time.
4. Apart from the above-mentioned negotiations between the Industry and the Reich Offices, direct negotiations had of course taken place between GOERING and the Industry before publication of the Four Year Plan.

I have carefully read each of the 3 (three) pages of this affidavit and countersigned it with my own hand, have made the necessary corrections in my own handwriting and initialed them, and I herewith declare under oath that I have stated the full truth in this affidavit to the best of my knowledge and belief.

Signature: Paul Koerner  
PAUL KOERNER

(page 3 of original)

Sworn to and signed before me this 15th day of August 1947 at the Palace of Justice, Nurnberg, Germany, by Paul KOERNER, known to me to be the person making the above affidavit.

Signature: Otto Heilbrunn  
Dr. Otto Heilbrunn  
EN 30140  
Office of Chief of Counsel  
for War Crimes  
US War Department.

CERTIFICATE OF TRANSLATION

26 August 1947

I, BRIGITTE TURN, EN No. 35130, herewith certify that I am thoroughly conversant with the English and German languages; and that the above is a true and correct translation of document No. NI-9656.

BRIGITTE TURN, EN No. 35130

A) INVESTMENTS IN PLANTS OF I.G. FARBEINDUSTRIE A.G. AND I.G. CONTROLLED COMPANIES

(Investitionen in Barkanlagen der I.G. Farbenindustrie A.G. und I.G.-kontrollierten Gesellschaften)

[illegible]

AFFIDAVIT

I, Helmut DEICHFISCHER, Frankfurt on the Main, Parlamentsplatz 9, employee of the I.G. Central Finance Administration in Berlin since 1936, Deputy Department Chief of the Accounting Department from 1938 to 1940, Chief in this department from 1940 to 1945, and since then in charge of the Section, "Balance Sheets" in the I.G. Control Office in Frankfurt, after having first been warned that I will be liable for punishment for making a false statement, state herewith under oath, of my own free will and without coercion, the following:

The figures in the chart captioned "Investments in Plants of I.G. and I.G. controlled companies" and known as Document NI-10001 have been arrived by me the following way:

1. Plants of I.G. Farbenindustrie A.G.

These figures have been taken from the balance sheet reports (Abschlussunterlagen) of I.G. which are available at the Central Bookkeeping Department of I.G. in the I.G. Control Office in Frankfurt on the Main. These figures are based on the balance sheet reports of the individual I.G. plants. The figures in the chart show the investment in the year the money was spent, plant by plant and year by year.

These are the I.G. plants in question:

Ludwigshafen  
Oppau  
Leverkusen  
Hoechst  
Bitterfeld  
Wolffen Farbren  
Uerdingen  
Schkopau  
Dornagen  
Elberfeld  
Griesheim  
Offenbach  
Mainkur  
Gersthofen  
Waldenburg



Rheinfelden  
Zweckel  
Deutsch-Koloniale Gerbstoff G.m.b.H.  
Stoedener Kallwerke  
Doeberitz  
Fluorit-Werke  
Auschwitz  
Heydebrock  
Moosbierbaum (Hg)  
Moosbierbaum (SO 3)  
Teerfarbenwerke Aussig  
Teerfarbenwerke Litomysl  
Muelhauser Chemische Werke  
Stassfurt  
Jken  
Froso  
Teutschenthal  
Autogen  
Sauerstoffwerke  
Stickstoffpachtbetriebe, Halle  
Wolfen-Film  
Landsberg  
Prenitz  
Rottweil  
Lichtenberg  
Bobingen  
Caserwerk, Muenchen  
Marburg, Abt. Behringwerke  
Parchwitz  
Mitteldutsche Braunkohlengrube, Halle  
Grube Auguste Victoria, Marl-Huels  
Rheinische Braunkohlengrube, Frechen  
Scharzfeld  
Duisburg  
Schwarzpulverfabriken  
Berlin SO 36

II. The figures for plants of I.G. controlled companies were compiled by me as follows:

a) For 100 % Subsidiaries: They were taken from the balance sheet reports of the respective plants. These reports are available in the Central Bookkeeping Department.

b) For Controlled Companies (less than 100 %):

1) In regard to Dynamit A.G. vonn. Alfred Nobel and Co.  
in March 1947, I and my assistant, Mr. Glatzel, from the I.G. Control Office in Frankfurt, supervised at the company's office in Troisdorf the checking of the balance sheets, the books and the documents of the company, and we also collected information from Mr. Segenbarth, Chief of the Bookkeeping Department of the firm,

and from Mr. Schmitz, employee in the same department. On the strength of the documentary evidence and information supplied to us I consider the figures shown in the chart as correct.

- 2) In regard to the other companies; these figures are taken from the balance sheet reports of the companies in question. These reports are available at the Central Bookkeeping Department.

I have carefully read each of the three pages of this declaration and have signed them personally. I have made the necessary corrections in my own handwriting and initialed them and I declare herewith under oath that I have given the pure truth to the best of my knowledge and conscience.

Gez. Helmut Deichfischer

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HELMUT DEICHFISCHER

Sworn to and signed before me this 11 day of June 1947 at Frankfurt/Main by Helmut DEICHFISCHER, known to me to be the person making the above affidavit.

Gez. Otto Heilbrunn

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DR. OTTO HEILBRUNN  
CIVILIAN, ETO 30140  
Office of Chief of Counsel  
for War Crimes  
U.S. War Department

TRANSLATION OF EXCERPTS FROM DOCUMENT No. NI-5813  
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES

MINUTES

of the 27th meeting of the Vorstand, held on September 25th, 1941 at 9.30 a.m. in Frankfurt /Main, Gruenewaldplatz.

Present all members of the Vorstand, with the exception of Mr. W. IEBEL excused.

The minutes of the 26th meeting of the Vorstand, held on July 10th, 1941 having been read and approved, the items upon the agenda were discussed in the following order:

1) Technical Committee.

Dr. O. BAYER, Leverkusen, gave a detailed account at the meeting of the Technical Committee of the polyurethanes, developed in the laboratory at Leverkusen. The treatment of glycols with diisocyanates results in a chain-reaction leading to the formation of compounds largely corresponding in character to the super-polyamides. They combine excellent mechanical qualities with the advantage that their property of water absorption is considerably lower than that of Dupont's product 66; the melting-point lies somewhat lower. The polyurethanes can be used in exactly the same field of application as the superpolyamides, viz. for the production of bristles, textiles, synthetics etc. These products do not fall within the scope of Dupont's patents; their manufacture is quite different, and in processing we have succeeded in working out methods quite independent from those of Dupont. They are therefore not subject to the contractual obligations which I.G. has had to undertake towards Dupont and can therefore be exported to countries which were so far not open to export from Germany. - Very interesting are the possibilities to arrive at new kinds of materials by treating polyoxy compounds of all kinds with diisocyanates. The reaction of diisocyanates with glycerine for instance creates acetyl-cellulose, polyvinyl-alcohol and other synthetics which can neither be liquefied nor dissolved by means of organic solvents. They are mainly used for varnishes. They are applied mainly in the following manner; the object to be varnished

(page 2 of original)

is coated with a mixture of both compounds and the formation of the finish is brought about for instance by heating. The action of diisocyanates upon di-glyceride of linseed-oil produces a refined linseed-oil-product which combines practically all the good qualities of the alkydals. - If the action of diisocyanates upon polyoxy-compounds in the presence of considerable quantities of filling material such as wood-flour, takes place under pressure and heat, high grade plastic materials are obtained which have a number of advantages over bakelite and urea plastics; they are in particular superior to them with regard to elasticity. - Of the numerous other uses of the diisocyanates their adhesive properties should be mentioned, which are effective not merely with wood but also in joining Buna or Oppanol with metal or wood, or in welding thin vulcan fibre-foil into thick plates etc., problems which had

(page 2 of original, cont'd)

not previously been solved satisfactorily:

Credits for new buildings including the new credits allowed at the last "Tea"-meeting, less the estimate of expenses until end September amounted to RM 1.8 billions. To this must be added a few sums which are about to materialize, even if they have not actually been granted, so that one can count on total credits amounting to RM 2 billions approx. In comparison herewith it was pointed out that the total expenses for new construction work of I.G. from 1932 to beginning of 1941 had also amounted to 2 billion Reichsmark. - The RM 400 million spent in 1938 represented the largest amount expended in any one year; in 1940 it decreased to RM 360 millions and is estimated at RM 520 millions for 1941 and at RM 650 millions for 1942; part of these amounts is supplied by outside sources (Fremdfinanzierung).

Furthermore a brief report was submitted on the applications for credits amounting to RM 77,7 millions put before the "Tea" meeting; they were approved.

In connection with the granting of credits, Geheimrat SCHMITZ commented on the financial strain to which I.G. was being subjected owing almost entirely to the exigencies of plants connected with the war effort.

.....

(page 4 of original)

- .....  
4) Taking on lease of the subsidiaries in Austria by I.G.  
and foundation of a Works Combine "Ostmark" - foundation  
of chemical companies for the east.

Dr. KUEHNE reported on the result of previous conferences of the I.G. representatives on the Aufsichtsrat of "Donau-Chemie" with the other gentlemen of I.G., interested in Moosbierbaum. Various objections were raised to the lease-contract drafted by the solicitors. It was therefore agreed upon, not to execute the lease-contract in the form suggested (which was based on the original idea of unilateral assistance to "Donau-Chemie") in view of the fact that by the erection of the big magnesium-plant apart from the "hydro-forming" works - I.G. interests at Moosbierbaum had become predominant as regards factory space and production. A further decisive factor in changing the lease plan had been the intention to transfer further I.G. plants there in the future which were in no way connected with the production program of "Donau-Chemie" and which I.G. desired to run according to its own ideas without interference from the management of Donau Chemie.

The following was decided and submitted to the Vorstand for confirmation:

All plants erected or still to be erected upon sites leased from "Donau-Chemie", shall be under the sole management of the I.G. BUETEFISCH's office has been suggested - to be general manager of the plants. The "Donau-Chemie" is to be induced to hand over to the



TRANSLATION OF EXCERPTS FROM DOCUMENT No. NI-5813  
CONTINUED

(page 4 of original, cont'd)

I.G. or rather to Dr. HEINING the general management of their works at Moosbierbaum amongst others.

(page 5 of original)

This measure would guarantee the uniform management of all works and plants at Moosbierbaum by I.G. This can only be achieved if Dr. HEINING joins the Vorstand of "Donau-Chemie". He would have to be responsible to Dr. KUEHNE for general business and for the works of the "Donau-Chemie", situated at Moosbierbaum, to Dr. BUETEFISCH for the plants of (Sparte I) to Dr. BUERGIN for the magnesium plants. In that case neither the other members of the Vorstand nor the Aufsichtsrat of "Donau-Chemie" would have any further say in matters concerning the Moosbierbaum plant.

The Vorstand assented.

.....

(page 8 of original)

.....  
9). Miscellaneous.

a) Dr. SCHNEIDER reported on the security system of I.G.  
("Abwehr").

.....

(page 9 of original)

.....

signed: H. SCHMITZ

signed: BRUEGGELMANN.

CERTIFICATE OF TRANSLATION

3 July 1947.

I, Leonhard LAWRENCE, Civ.No.20 138, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of the excerpts from document No. NI-5813.

Leonhard LAWRENCE  
Civ.No.20 138.

DOCUMENT NO. NI-10007  
OFFICE OF CHIEF OF COUNSEL  
FOR WAR CRIMES

INVESTMENTS IN 18 STRATEGIC MATERIALS OF I.G. AND I.G.

CONTROLLED COMPANIES

Ausgaben der I.G. und von der I.G. kontrollierter Gesellschaften fuer 18 wichtige Erzeugnisse.

Amounts in Millions of RM.

|  |   | 1932  | 1933   | 1934   | 1935   | 1936   |
|--|---|-------|--------|--------|--------|--------|
| Nitrogen<br>(Ammonia N)                | /Stickstoff<br>/Ammoniak (N)              | 1,4   | 2,9    | 2,4    | 5,1    | 13,6   |
| Diglycol<br>Explosives                 | /Diglykol<br>/Sprengstoffe)               | -     | -      | -      | 0,6    | 1,4    |
| Explosives<br>Gunpowder                | /Sprengstoffe)<br>/Schiesspulver)         | 0,6   | 0,7    | 2,2    | 7,9    | 4,5    |
| Synthetic<br>Gasoline                  | /Synthetische<br>Treibstoffe              | 0,6   | 2,9    | 27,2   | 20,4   | 15,3   |
| Tetraethyl-<br>lead                    | /Tetraethyl-<br>blei                      | -     | -      | -      | -      | -      |
| Synthetic<br>Rubber                    | /Synthetischer<br>Gummi                   | -     | -      | -      | -      | 10,4   |
| Magnesium                              | /Magnesium                                | 0,1   | 0,1    | 15,5   | 12,6   | 22,3   |
| Aluminum                               | /Aluminium                                | -     | -      | 0,2    | 1,6    | 0,8    |
| Poison Gas                             | /Kampfgas                                 | -     | -      | -      | -      | -      |
| Sulphuric<br>Acid                      | /Schwefel-<br>saure                       | 0,3   | 1,3    | 3,1    | 3,8    | 4,-    |
| Chlorine<br>Caustic Soda<br>and Potash | /Chlor )<br>/atron- und )<br>/Kalilauge ) | 1,-   | 1,9    | 3,7    | 9,2    | 10,2   |
| Calcium<br>Carbide                     | /Kalziunkar-<br>bid                       | 0,1   | 1,-    | 0,1    | 0,6    | 0,7    |
| Sodium Cyanide                         | /Cyannatrium                              | 0,001 | 0,1015 | 0,151  | 0,125  | 0,117  |
| Stabilizers                            | /Stabilisatoren                           | -     | -      | -      | 1,3    | 1,7    |
| Methanol                               | /Methanol )                               | 0,8   | 1,4    | 3,7    | 4,9    | 8,3    |
| Other Solvents                         | /Andere Loes-<br>ungsmittel )             |       |        |        |        |        |
|  |   | 4,901 | 12,215 | 58,251 | 68,125 | 93,317 |

Amounts in Millions of RM. Continued.

|  |   | 1937    | 1938    | 1939    | 1940    | 1941    |
|--|---|---------|---------|---------|---------|---------|
| Nitrogen<br>(Ammonia N)                | /Stickstoff<br>/Ammoniak N                    | 16,1    | 23,9    | 22,-    | 15,-    | 24,6    |
| Diglycol                               | /Diglykol                                     | 3,2     | 3,-     | 3,4     | 2,4     | 3,8     |
| Explosives<br>Gunpowder                | /Sprengstoffe<br>/Schlosspulver               | 7,3     | 13,-    | 14,1    | 11,6    | 12,6    |
| Synthetic Gasoline                     | /Synthetische<br>Treibstoffe                  | 24,7    | 31,7    | 22,8    | 32,5    | 69,7    |
| Tetraethyl-<br>lead                    | /Tetraethyl-<br>blei                          | -       | -       | -       | 2,2     | 2,2     |
| Synthetic<br>Rubber                    | /Syntheti-<br>scher Gummi                     | 42,5    | 76,5    | 88,-    | 96,5    | 136,2   |
| Magnesium                              | /Magnesium                                    | 8,2     | 11,4    | 6,-     | 25,8    | 31,5    |
| Aluminium                              | /Aluminium                                    | 3,7     | 3,-     | 2,9     | 4,2     | 3,8     |
| Poison Gas                             | /Kampfgas                                     | -       | -       | 0,1     | 0,3     | 0,7     |
| Sulphuric<br>Acid                      | /Schwefel-<br>saure                           | 15,7    | 16,9    | 6,9     | 4,8     | 12,6    |
| Chlorine<br>Caustic Soda<br>and Potash | /Chlor )<br>/Natron-u. )<br>/Kalilauge )      | 21,-    | 19,8    | 12,1    | 7,2     | 14,-    |
| Calcium Carbi-<br>do                   | /Kalziumkar-<br>bid                           | 3,-     | 4,9     | 7,3     | 6,6     | 11,8    |
| Sodium Cyanide                         | /Cyannatrium                                  | 0,316   | 0,438   | 0,025   | 0,030   | 0,105   |
| Stabilizers                            | /Stabilisatoren                               | 3,4     | 3,2     | 4,5     | 2,9     | 4,6     |
| Methanol<br>Other Solvents             | /Methanol )<br>/Andere Lös- )<br>ungsmittel ) | 20,3    | 17,5    | 13,7    | 11,-    | 21,7    |
|  |   | 169,716 | 225,238 | 204,325 | 223,030 | 349,905 |

## Amounts in Millions of RM. Continued.

|                                       |   | 1942    | 1943  | 1944  | 1932-44 |
|---------------------------------------|---|---------|-------|-------|---------|
| Nitrogen<br>(Ammonia N)               | /Stickstoff<br>/Ammoniak N                  | 29,3    | 23,5  | 21,4  | 201,2   |
| Diglycol                              | /Diglykol                                   | 3,4     | 1,-   | 1,-   | 23,2    |
| Explosives<br>Gunpowder               | /Sprengstoffe<br>/Schlosspulver             | 12,9    | 13,3  | -     | 100,7   |
| Synthetic<br>Gasoline                 | /Synthetische<br>Treibstoffe                | 98,-    | 129,5 | 73,-  | 548,3   |
| Tetraethyl-<br>lead                   | /Tetraäthyl-<br>blei                        | 0,8     | 0,7   | 0,2   | 6,1     |
| Synthetic<br>Rubber                   | /Syntheti-<br>scher Gummi                   | 117,6   | 85,8  | 77,2  | 731,-   |
| Magnesium                             | /Magnesium                                  | 39,6    | 39,7  | 31,9  | 244,7   |
| Aluminium                             | /Aluminium                                  | 2,1     | 1,3   | 1,3   | 24,9    |
| Poison Gas                            | /Kampfgas                                   | 0,5     | -     | -     | 1,6     |
| Sulphuric Acid                        | /Schwefel-<br>säure                         | 16,7    | 11,3  | 11,3  | 108,7   |
| Chlorine<br>Sodium Soda<br>and Potash | /Chlor )<br>/Natron u.)<br>/Kalilauge)      | 26,1    | 38,9  | 20,4  | 186,-   |
| Calcium<br>Carbide                    | /Kalzium-<br>carbid                         | 24,3    | 20,4  | 23,-  | 103,8   |
| Sodium Cyanide                        | /Cyannatrium                                | 0,910   | -     | -     | 1,633   |
| Stabilizers                           | /Stabilise-<br>toren                        | 1,8     | 1,4   | -     | 24,8    |
| Methanol<br>Other Solvents            | /Methanol )<br>/andere Lös-<br>sungsmittel) | 38,2    | 54,7  | 42,6  | 238,8   |
|                                       |   | 411,610 | 421,5 | 303,3 | 2545,4  |



A F F I D A V I T

I, Dr. Ernst A. STRUSS, Frankfurt (Main), Goertnerweg 59, after having first been warned that I will be liable for punishment for making a false statement, state herewith under oath, of my own free will and without coercion, the following:

I was Director of I.G. Farben, Chief of TEL Bureau of I.G., Secretary of the Technical Committee of I.G., Manager of Division II (Sparte II) of the Vermittlungsstelle II, and, since 1943, Production Manager of the entire German dyestuffs industry within the framework of the Economic Group Chemical Industry.

By virtue of said offices I acquired full and complete knowledge of the "Investments in 18 Strategic Materials of I.G. and I.G. controlled companies". I have been sworn and have carefully examined this chart captioned "Investments in 18 Strategic Materials of I.G. and I.G. controlled companies."

This chart is to my best knowledge and belief a true and faithful representation of the topic.

I declare herewith under oath that I have given the pure truth to the best of my knowledge and conscience.

signed: Dr. Ernst A. Struss  
Dr. ERNST A. STRUSS

Sworn to and signed before <sup>me</sup> this 21 day of June 1947 at Frankfurt (Main) by Dr. Ernst A. Struss known to me to be the person making the above affidavit.

signed Otto Heilbrunn  
Dr. OTTO HEILBRUNN

Civilian, ETO 30140, Office  
of Chief of Counsel for War  
Crimes US War Department

" A CERTIFIED TRUE COPY "

- 4 -

END

OFFICE OF CHIEF OF COUNSEL FOR  
WAR CRIMES

AFFIDAVIT

I, Dr. ERNST A. STRUBS, Director of I.G. Farben, Chief of TEA Bureau of I.G., Secretary of the Technical Committee of the Vorstand of I.G., Manager of Division II (Sparte II) of the Vermittlungsstelle W, and, since 1943, Production Manager of the entire German dyestuffs industry within the framework of the Economic Group Chemical Industry, after having first been warned that I will be liable for punishment for making a false statement, state herewith under oath, of my own free will and without coercion, the following:

The chart captioned, "Investments in Strategic Materials by I.G. and I.G. Controlled Companies" and known as Document NI-10007 has been compiled by me in the following way:

I. All figures in the chart are taken from the official documents on credits of I.G. These documents were submitted to the TEA-Office by the plants of I.G. year after year and they fully account for the actual investments of the individual plants. Every year all figures submitted to the TEA-Office were reconciled with the Central Bookkeeping Department.

The credit reports of the individual plants usually show for which product an investment has been made. Only for some products, as for instance tetraethyllead and nickel, no separate figures are available and for that reason, estimates are shown in the chart.

II. The chart contains all I.G. plants and moreover those plants controlled by I.G. which had to report their credits to the TEA. These I.G. controlled plants are: Leuna, Buna-Schkopau, AG. fuer Stickstoffduenger, Knapsack, Dynamit A.G., Huels, Riebeck, Capel and Aluminium Bitterfeld and Aken. For all plants the investment figures are given in full with the exception of Aluminium Bitterfeld and Capel, where, in accordance with the I.G. share in the participation, only 50 % of the total investment is shown in the chart.

III. Included in the investment costs shown in the chart are general facility and accessory costs, as for instance, installations for power, workers' tenements, welfare facilities, administration buildings of the plants, etc. In the chart, investment costs for these installations have been distributed, viz. pro-rated to the investment costs for the individual products as it was the usual procedure with I.G.

IV. In regard to the products shown in the chart I state the following:

1. Nitrogen

The chart shows the investments in Leuna and Oppau.

The Wigo plants Langelshain, Wolfen, Embsen, Doerberitz and Piesteritz are not included in the chart since the investment was made with public funds and not by I.G.

2. Dyglycol

Dyglycol is produced at Ludwigshafen, Wolfen and Gondorf.

The investment in the Wolfen plant is estimated in the chart since available figures show only the combined investment for stabilizers and diglycol in Wolfen. No investments have been made in Ludwigshafen and the Gendorf investment was not financed by I.G. but by Montan.

### 3. Explosives and Gunpowder

I.G. produced binitrobenzol in Hoechst, Leverkusen and Griesheim where no investment has been made from 1932 on. Explosives and gunpowder were mainly produced by Dynamit A.G. and Verwertchemie. Since figures for the individual years were not forwarded to the TEA only total investment cost could be shown in the chart. They are based on an estimate.

### 4. Synthetic Gasoline

The chart shows the investments for Louna and Oppau. The Heydebreck investment does not appear in the chart since this plant was financed by the Reich. The Moosbierbaum figures are not shown in the chart either since the plant was not engaged in manufacturing but only in refining oil.

### 5. Tetraethyllead

The Froese investment is estimated in the chart since the available figures show only the Tetraethyllead



investment together with nickel investments. The Gapol investment is shown in the chart only with 50% in accordance with I.G.'s participation.

6. Buna

The figures in the chart show the investment in Buna I, II, III, and IV. Not included are the pilot plants.

7. Magnesium

The figures in the chart comprise the investments in Bitterfeld, Aken and Stassfurt, Teutschenthal and Scharzfeld.

8. Aluminium

The Bitterfeld and Aken investment figures in the chart appear with 50 %, in accordance with the amount of I.G.'s participation in this aluminium plant.

9. Poison Gas

The chart shows only the investments for the Uerdingen plant. The investments in Falkenhagen, Gendorf, Dyhernfurt, amounting to 300,000,000 to 400,000,000 marks are not included in the chart since they were financed by the Reich.

10. Sulphuric Acid

The chart shows the investments in the I.G. plants Hoechst, Leverkusen, Dormagen, Uerdingen, Ludwigshafen, Wolfen, Doberitz and Leuna.

## 11. Chlorine and Caustic Soda

The chart contains the investments for I.G. plants Hoechst, Gersthofen, Leverkusen, Ludwigshafen, Rheinfelden, Schkopau, Bitterfeld, Wolfen and Heydebreck and for the plant Huels. Gondorf is not included since the investment cost was borne by the Reich.

## 12. Calcium Carbide

In the chart appear the investment figures for Ludwigshafen, Schkopau and Knapsack.

## 13. Sodium Cyanide

The chart shows the investments for Ludwigshafen.

## 14. Stabilizers

The investment figures for Wolfen are estimated since only combined figures for stabilizers and diglycol are available for Wolfen. No investment has been made at the Uerdingen plant.

## 15. Methanol

In the chart appear the investment for Leuna, Oppau, Waldenburg, Heydebreck and Auschwitz.

## 16. Other Solvents

In the chart figure the investments of the I.G. plants Leuna, Hoechst, Wolfen, Ludwigshafen, Schkopau, Rheinfelden, Zwickel, Gersthofen, Offenbach and Bitterfeld and of the plants Knapsack and Huels.

CONTINUED

DOCUMENT NO. NI-10020

I have carefully read each of the five pages of this declaration and have signed them personally. I have made the necessary corrections in my own handwriting and initialed them and I declare herewith under oath that I have given the pure truth to the best of my knowledge and conscience.

signed: Dr. Ernst A. Struss  
DR. ERNST A. STRUSS

Sworn to and signed before me this 12 day of June 1947 at Frankfurt/Main by Dr. ERNST A. STRUSS known to me to be the person making the above affidavit.

signed: Otto Heilbrunn  
DR. OTTO HEILBRUNN  
Civilian ETO 30140  
Office of Chief of Counsel  
for War Crimes  
War Department U.S.

TRANSLATION OF DOCUMENT No. NI-10926  
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES

A F F I D A V I T

I, Dr. Werner HAGERT, of Hilchenbach (Westphalia), Gerberstr. 168, consultant in the Mobilization Department of the Economic Group Chemical Industry from 1937 to 1939, after having first been warned that I will be liable for punishment for making a false statement, state herewith under oath, of my own free will and without coercion, the following:

1. The following documents have been shown to me:
  - a. Table: "Investments in plants of I.G. Farbenindustrie A.G. and companies controlled by I.G. Farben", with affidavit by Herr Helmut DEICHFISCHER - NI-10001.
  - b. Affidavit by Herr Helmut DEICHFISCHER dated 11 June 1947, explaining the above-mentioned table. NI-10013.
  - c. Table: "Expenditure incurred by I.G. Farben and companies controlled by I.G. Farben for 18 strategic products", with affidavit by Dr. Ernst A. STRUSS - NI-10007.
  - d. Affidavit by Dr. Ernst A. STRUSS dated 12 June 1947, explaining the above-mentioned table. NI-10020.

2. As the two affidavits show, both tables are drawn up on similar principles. The companies shown separately in Table NI-10001, Kalle & Co. A.G. and Duisberger Kupferbatterie, are not, however, included in Table NI-10007. If we disregard the investment figures for these two companies, we are left with the following picture of I.G. Farben's investments, including the companies of Ammoniakwerk Merseburg, Buna Werke Schkopau, A.G. fuer Stickstoffduenger (nitrogen fertilizers), Dynamit A.G., Chemische Werke Huels and A. Riebeck'sche Montan Werke A.G., which were under its control.

(page 2 of original)

| Year | In mill. RM:     |                                     | In other products | Percentage of total investments invested in strategic products |
|------|------------------|-------------------------------------|-------------------|--|
|      | Total Investment | Investment in 18 strategic products |                   |  |
| 1932 | 22,441           | 4,901                               | 17,540            | 21.8   |
| 1933 | 35,006           | 12,215                              | 22,791            | 34.9   |
| 1934 | 115,775          | 58,251                              | 57,524            | 50.3   |
| 1935 | 152,493          | 68,125                              | 84,368            | 44.7   |
| 1936 | 179,872          | 93,317                              | 86,555            | 51.9   |
| 1937 | 321,637          | 169,716                             | 151,921           | 52.8   |
| 1938 | 386,129          | 225,236                             | 160,891           | 58.3   |
| 1939 | 342,570          | 204,325                             | 138,245           | 60   |
| 1940 | 333,885          | 223,030                             | 110,855           | 66.8   |
| 1941 | 488,147          | 349,905                             | 138,242           | 71.7   |
| 1942 | 589,274          | 411,610                             | 177,664           | 70   |
| 1943 | 572,311          | 421,5                               | 150,811           | 73.7   |
| 1944 | 425,962          | 303,3                               | 122,662           | 71.2   |

3. In the following diagram I have shown in the form of a graph the investments in the 18 strategic products represented by the continuous line - and the other investments - represented by the broken line - of I.G. Farben and the above-mentioned companies controlled by it, in millions of Reichsmark.

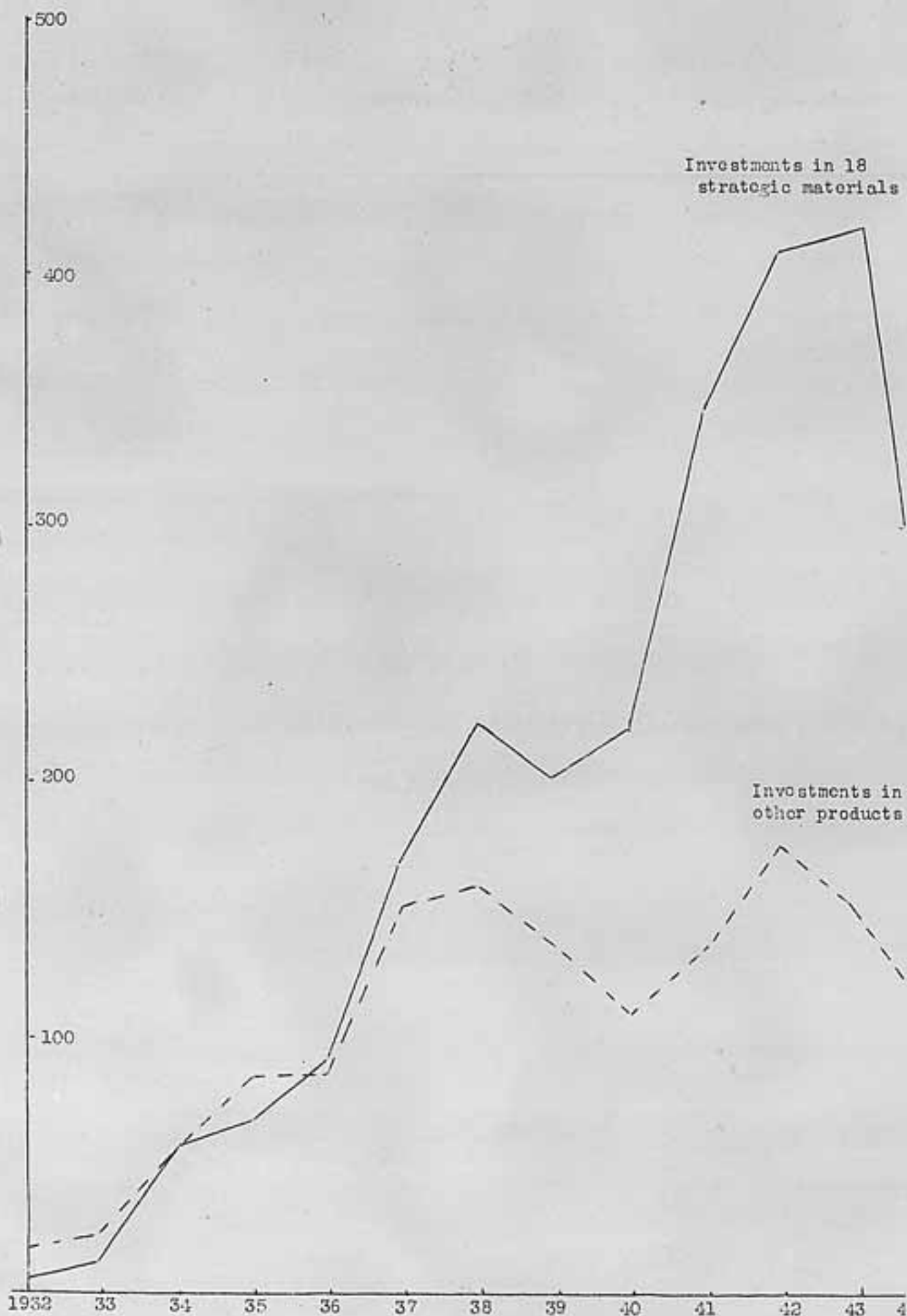
(Signature) Werner HAGERT

65



(page 3 of original)

In Million RM



(page 4 of original)

I have carefully read each of the 4 (four) pages of this declaration and have signed them personally. I have made the necessary corrections in my own handwriting and initialed them and I declare herewith under oath that I have given the full truth to the best of my knowledge and belief.

(Signature) Dr. Ing. Werner HAGERT

Sworn to and signed before me this 15th day of September, at the Palace of Justice, Nuernberg, Germany, by Dr. Werner HAGERT, known to me to be the person making the above affidavit.

Dr. OTTO HEILBRUNN  
ETO 30140  
Office of Chief of Counsel  
for War Crimes  
U.S. War Department.

CERTIFICATE OF TRANSLATION

I, Mona A.M. Macleod, MEP 38347, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of the Document NI-10926.

15 September 1947.

Mona A.M. Macleod,  
MEP 38347.

End

## D) FINANCIAL CONNECTION BETWEEN I.G. AND REICH- AND WEHRMACHT- AGENCIES

(Finanzielle Verbindung zwischen der I.G. und Reich sowie Wehrmacht)

|  | RM                   |  | RM                 | Total<br>Amortization<br>1944<br>RM |
|--|----------------------|--|--------------------|-------------------------------------|
| I. Reich Investments<br>(Investitionen des Reichs)   |                      | II. Credits of Reich Agencies to I.G. Farbenindustrie A.G. and I.G. controlled companies<br>(Kredite des Reichs an die I.G. Farbenindustrie A.G. und an I.G.-kontrollierte Gesellschaften) |                    |                                     |
| (a) Investments of Montan Industriewerke G.m.b.H. in plants operated by:<br>(Investitionen der Montan Industriewerke G.m.b.H. in Werken betrieben von der:)  |                      | (a) DRK credits<br>(Kredite des DRK)   | 19,460,000         | I.G. plant Ludwigshafen 3,512,361   |
| I.G. Farbenindustrie A.G.  | 56,300,000           |  |                    | I.G. plant Oppau 4,637,294          |
| Amergen G.m.b.H.   | 280,000,000          |  |                    | I.G. plant Höchst 1,257,065         |
| Dynalene A.G.  | 180,000,000          | (b) Credits of Bank der Deutschen Luftfahrt A.G. and of Air-Ministry<br>(Kredite der Bank der Deutschen Luftfahrt A.G. und des Luftfahrt-Ministeriums)                                     | 457,051,695        | I.G. plant Uerdingen 261,120        |
| G.m.b.H. zur Verwertung chemischer Erzeugnisse   | 1,985,686,000        |  |                    | I.G. plant Bitterfeld 9,200,000     |
| Chemische Werke Mels G.m.b.H.  | 75,000,000           | (c) Credits of Wirtschaftliche Forschungsgesellschaft m.b.H.<br>(Kredite der Wirtschaftlichen Forschungsgesellschaft m.b.H.)   | 14,708,675         | I.G. plant Alken 21,533,204         |
| Merburen G.m.b.H.  | 90,000,000           |  |                    | I.G. plant Tautschenthal 2,620,494  |
| Deutsche Sprengwerke G.m.b.H.  | 402,000,000          | (d) Deutsche Bau- und Bodenbank credits<br>(Kredite der Deutschen Bau- und Bodenbank)  | 3,810,200          | I.G. plant Staßfurt 30,508,481      |
| Elbia G.m.b.H.   | 286,710,000          |  |                    | I.G. plant Scharzfeld 410,254       |
| Westfälisch-Anhaltische Sprengstoffe A.G.  | 45,762,000           | (e) Deutsche Industriebank credits<br>(Kredite der Deutschen Industriebank)  | 35,600,000         | I.G. plant Rattwil 3,395,994        |
| Brenn-Compagnie A.G.   | 4,783,000            |  |                    |                                     |
| (b) Investments of Bank der Deutschen Luftfahrt A.G. in plants of I.G. and I.G. controlled companies<br>(Investitionen der Bank der Deutschen Luftfahrt A.G. in Werken der I.G. und I.G.-kontrollierten Gesellschaften)                          | 182,700,000          | (f) Other Reich credits<br>(Andere Reichskredite)  | 186,544,368        |                                     |
| (c) Investments of Wirtschaftliche Forschungsgesellschaft m.b.H. in plants of I.G. and I.G. controlled companies<br>(Investitionen der Wirtschaftlichen Forschungsgesellschaft m.b.H. in Werken der I.G. und I.G.-kontrollierten Gesellschaften) | 66,000,000           |  |                    |                                     |
| (d) Other investments of Reich in plants of I.G.<br>(Andere Investitionen des Reichs in Werken der I.G.)   | 96,000,000           | <u>Total (II)</u>  | <u>719,774,938</u> | <u>Total (III)</u>                  |
| <u>Total (I)</u>   | <u>3,683,941,000</u> |  |                    | <u>77,547,443</u>                   |

|   | 1941<br>RM        | 1942<br>RM         | 1943<br>RM         | 1944<br>RM        |  | RM                |
|---|-------------------|--------------------|--------------------|-------------------|--|-------------------|
| IV. "Help for the East" Tax subsidy<br>(*Deutschenerhilfe*) |                   |                    |                    |                   | V. Lost subsidies of the Reich<br>(Verlorene Zuschüsse des Reichs) |                   |
| (a) I.G. Farbenindustrie A.G.                               | 25,092,742        | 96,169,655         | 124,923,366        | 79,582,013        | I.G. plant Borsigwerke   | 30,000,000        |
| (b) Ammoniakwerk Borsig G.m.b.H.                            | 3,552,602         | 13,413,927         | 9,814,018          | 7,330,968         | I.G. plant Staßfurt  | 10,000,000        |
| <u>Total (IV)</u>   | <u>28,645,344</u> | <u>109,583,582</u> | <u>134,737,384</u> | <u>86,912,981</u> | <u>Total (V)</u>   | <u>40,000,000</u> |

## AFFIDAVIT.

I, Helmut DEHOFISCHER, Frankfurt (Main), Pariserplatz 9, after having first been sworn that I will be liable for punishment for making a false statement, state herewith under oath, of my own free will and without coercion, the following:

By virtue of the offices held by me in I.G. and in the I.G. Control Office I am fully acquainted with "Financial connection between I.G. and Reich- and Wehrmacht-agencies".

I have been shown and have carefully examined this chart consisting of 1 page and captioned: "Financial connection between I.G. and Reich- and Wehrmacht-agencies". This chart is to my best knowledge and belief a true and faithful representation of the facts.

I declare herewith under oath that I have given the pure truth to the best of my knowledge and conscience.

*Helmut Dehofischer*  
HELMUT DEHOFISCHER

Sworn to and signed before me this 21 day of June 1947 at Frankfurt on the Main by Helmut DEHOFISCHER, known to be the person making the above affidavit.

*Otto Heilbrunn*  
DR. OTTO HEILBRUNN  
Civilian, ETO 30140  
Office of Chief of Counsel  
for War Crimes  
U.S. War Department

AFFIDAVIT

I, Helmut LEIGHFESCHER, Frankfurt on the Main, Parlamentsplatz 9, employee of the I.G. Central Finance Administration in Berlin since 1936, Deputy Department Chief of the Accounting Department from 1938 to 1940; Chief in this Department from 1940 to 1945, and since then in charge of the Section, "Balance Sheets" in the I.G. Control Office in Frankfurt, after having first been warned that I will be liable for punishment for making a false statement, state herewith under oath, of my own free will and without coercion, the following:

The figures in the chart captioned "Financial Connection between I.G. and Reich and Wehrmacht Agencies" and known as Document NI-10004 have been obtained by me in the following way:

I. Reich Investments:

a) Investments of Montan Industriewerke G.m.b.H.:

These figures have been taken by me from a report, prepared by the I.G. Control Office in Frankfurt, captioned "I.G. Farben's Interest in Reich Owned Plants" and dated April 1946. The report represents the official work of the I.G. Control Office. The report is available at the I.G. Control Office.

The figures for the I.G. plants, the Anorgana plants, Wuels and Monturca, however, have been taken from the Affidavit, sworn by Dr. Ernst Struss on 21 June 1947 and known as Document NI-10022.



The figures shown in the chart are compiled as follows:

I.G. Farbenindustrie A.G.:

|                         |                    |
|-------------------------|--------------------|
| Doeberitz               | RM 12.000.000.     |
| Wolfen                  | 20.300.000.        |
| Schkopau                | 10.000.000.        |
| Auschwitz               | <u>16.000.000.</u> |
| Total as shown in chart | RM 58.300.000.     |

Anorgan a:

|                         |                     |
|-------------------------|---------------------|
| Gondorf                 | 145.000.000.        |
| Dyhornfurt              | <u>135.000.000.</u> |
| Total as shown in chart | 280.000.000.        |

Dynamit A.G.:

|                         |                     |
|-------------------------|---------------------|
| Duonoborg               | 45.000.000.         |
| Kruemmel                | <u>135.000.000.</u> |
| Total as shown in chart | 180.000.000.        |

G.m.b.H. zur Verwertung  
chemischer Erzeugnisse:

|                 |              |
|-----------------|--------------|
| Ueckermuende    | 46.497.000.  |
| Hess.-Lichtenau | 135.651.000. |
| Clausthal       | 70.441.000.  |
| Deonitz         | 28.976.000.  |
| Guosen          | 76.708.000.  |
| Doeberitz       | 12.143.000.  |
| Promnitz        | 6.946.000.   |
| Bramberg        | 343.018.000. |
| Ebenhausen      | 82.301.000.  |
| Kaufburen       | 50.634.000.  |
| Horzberg        | 15.092.000.  |
| Hohenstaaten    | 55.996.000.  |
| Christianstadt  | 288.297.000. |
| Gleiwitz        | 53.635.000.  |
| Auscha          | 79.877.000.  |
| Kaufering       | 59.120.000.  |
| Allendorf       | 206.015.000. |
| Gruenberg       | 5.753.000.   |
| Muenchen        | 29.303.000.  |
| Volfratshausen  | 123.905.000. |
| Malchow         | 128.779.000. |
| Petersdorf      | 5.319.000.   |
| Mallnitz        | 2.935.000.   |
| Muehlna         | 2.679.000.   |

|                         |                       |
|-------------------------|-----------------------|
| Hartino                 | 30.999.000.           |
| Ludwigsdorf             | 14.875.000.           |
| Bobingen                | 27.720.000.           |
| Eschenstruth            | 2.879.000.            |
| Total as shown in chart | <u>1.985.686.000.</u> |

Chemische Werke Huels G.m.b.H.

|      |             |
|------|-------------|
| Marl | 15.000.000. |
|------|-------------|

Monturan

|             |             |
|-------------|-------------|
| Falkenhagen | 90.000.000. |
|-------------|-------------|

Deutsche Sprengchemie G.m.b.H.:

|                         |       |                     |
|-------------------------|-------|---------------------|
| Kraiburg                | (est) | 52.000.000.         |
| Geretsried              | (est) | 50.000.000.         |
| Klietz                  | (est) | 50.000.000.         |
| Torgelow                | (est) | 50.000.000.         |
| Odorberg                | (est) | 50.000.000.         |
| Forst                   | (est) | 50.000.000.         |
| Dreetz                  | (est) | 50.000.000.         |
| Dannowald               | (est) | 50.000.000.         |
| Total as shown in chart |       | <u>402.000.000.</u> |

Eibia G.m.b.H.:

|                         |                     |
|-------------------------|---------------------|
| Waldhof                 | 14.269.000.         |
| Wale I and II           | 82.714.000.         |
| Doervorden              | 70.162.000.         |
| Libonau                 | 119.565.000.        |
| Total as shown in chart | <u>286.710.000.</u> |

Westfaelisch-Anhaltische  
Sprengstoff A.G.:

|        |             |
|--------|-------------|
| Elsnig | 16.762.000. |
|--------|-------------|

Waren Commissions A.G.:

|        |            |
|--------|------------|
| Dragan | 4.783.000. |
|--------|------------|

b) Investments of Bank der Deutschen Luftfahrt A.G.:

I have obtained this figure from an affidavit  
sworn by Dr. Ernst A. Struss in Frankfurt on 12 June  
1947 and known as Document NI-10011.

c) Investments of Wirtschaftliche Forschungsgesellschaft

m.b.H.:

I have taken this figure from an affidavit sworn by Dr. Kurt Hartmann in Ilvesheim / Mannheim on 19 June 1947 and known as Document NI-10012.

d) Other Investments of Reich:

I have taken this figure from the before mentioned affidavit by Dr. Ernst A. Struss, NI-10011.

II. Credits of Reich Agencies to I.G. Farbenindustrie A.G. and I.G. Controlled Companies:

These figures have been compiled under my supervision by employees of the I.G. Control Office from the yearly balance sheet reports of the individual plants. The reports are available at the Central Bookkeeping Department of the I.G. Control Office in Frankfurt. Since these reports show only the credits as per end of each year, the highest amount shown in the reports of each plant, has been taken as indicating the actual credit, and the highest amount therefore appears in the chart.

The figures, however, for the OH credit Heydebreck and for the Bank der Deutschen Luftfahrt and Air Ministry credits, with the exception of Ludwigshafen, Frose, Bitterfeld, Michler, and Pöchlitz, have been taken from the Affidavit of Dr. Ernst Struss, of 21 June 1947, and known as Document NI-10022.

The credits are compiled as follows:

a) OKH credits:

|                             |               |
|-----------------------------|---------------|
| Ludwigshafen                | RM 3.000.000. |
| Karl Michlor                | 460.000.      |
| Heydobreck                  | 16.000.000.   |
| Total as shown in the chart | 19.460.000.   |

b) Credits of Bank der Deutschen Luftfahrt A.G. and Air Ministry:

|                         |              |
|-------------------------|--------------|
| Ludwigshafen            | 9.800.000.   |
| Frosch                  | 7.099.070.   |
| Schkopau                | 40.000.000.  |
| Bitterfeld              | 12.726.000.  |
| Stassfurt and Alton     | 44.000.000.  |
| Heydobreck              | 80.000.000.  |
| Auschwitz               | 30.000.000.  |
| Meesbierbaum            | 65.000.000.  |
| Morseburg               | 68.000.000.  |
| Gapol                   | 3.000.000.   |
| Huels                   | 30.000.000.  |
| Waldenburg              | 13.000.000.  |
| Karl Michlor            | 2.400.000.   |
| Hydrierwerke Poolitz    | 47.365.000.  |
| Michlor                 | 221.625.     |
| Metallgussgesellschaft  | 4.500.000.   |
| Total as shown in chart | 457.051.695. |

c) Credits of Wirtschaftliche Forschungsgesellschaft G.m.b.H.

|                           |             |
|---------------------------|-------------|
| Hydrierwerke Poolitz A.G. | 14.708.675. |
|---------------------------|-------------|

d) Deutsche Bau- und Bodenkreditbank Credits:

|         |            |
|---------|------------|
| Poolitz | 3.810.200. |
|---------|------------|

e) Deutsche Industriebank credits:

|                         |             |
|-------------------------|-------------|
| Auschwitz               | 16.000.000. |
| Poolitz                 | 19.600.000. |
| Total as shown in chart | 35.600.000. |

f) Other Reich credits:

|                         |              |
|-------------------------|--------------|
| Buna Schkopau           | 90.000.000.  |
| Huels                   | 81.250.000.  |
| Huels                   | 17.294.368.  |
| Total as shown in chart | 188.544.368. |



### III. Reich Subsidies for Contract Plants:

I obtained these figures from a report which Messrs. Johann Phillippi & Co., Chartered Accountants in Wiesbaden, Germany made for the I.G. Control Office on 10 March 1947. I have spotchecked these figures and found them correct. The report is available at the I.G. Control Office in Frankfurt.

### IV. "Help for the East" Tax Subsidy:

These figures have been collected by the Central Taxation Department in the I.G. Control Office in Frankfurt on the strength of the balance sheet reports of the individual I.G. plants. I have made spotchecks of these figures and found them correct. The reports are available at the I.G. Control Office.

The subsidy is compiled as follows:

| Depreciations<br>on plants in the<br>"Eastern Territories"<br>(Ostabschreibungen) | Savings of  |   |
|---|---|---|
|   | Corporation<br>Profit Tax<br>(Körperschafts-<br>steuer) | Super<br>Profit Tax<br>(Gewinnab-<br>führung) |
| RM  | RM  | RM  |
| A. I.G. Farben-<br>industrie A.G.   |   |   |
| 1941 29,008.950   | 13,054.028  | 8,702.685                                     |
| 1942 113,140.770  | 62,227.424  | 33,942.231                                    |
| 1943 126,665.040  | 69,665.772  | 44,332.764                                    |
| 1944 119,672.200  | 65,819.710  | -   |
| Total 338,486.960   | 210,766.934   | 86,977.680                                    |

B. Ammoniakwerk  
Mersoburg G.m.b.H.

|       |            |            |           |
|-------|------------|------------|-----------|
| 1941  | 6.287.790  | 2.829.506  | -         |
| 1942  | 15.781.090 | 8.679.600  | 4.734.327 |
| 1943  | 9.950.840  | 5.472.963  | 3.482.794 |
| 1944  | 11.023.410 | 6.062.876  | -         |
| Total | 43.043.130 | 23.044.945 | 8.217.121 |

I.G. Farbenindustrie A.G.

|       | Trade<br>Profit Tax<br>(Gewerbeer-<br>tragssteuer) | Total<br>Savings<br>As Shown<br>In Chart |
|-------|--|--|
|       | RM   | RM                                       |
| 1941  | 3.336.029  | 25.092.742                               |
| 1942  | -  | 96.169.655                               |
| 1943  | 10.924.860   | 124.923.396                              |
| 1944  | 13.762.303   | 79.582.013                               |
| Total | 28.023.192   | 325.767.806                              |

Ammoniakwerk  
Mersoburg G.m.b.H.

|       |           |            |
|-------|-----------|------------|
| 1941  | 723.096   | 3.552.602  |
| 1942  | -         | 13.413.927 |
| 1943  | 858.261   | 9.814.018  |
| 1944  | 1.267.692 | 7.330.568  |
| Total | 2.849.049 | 34.111.115 |

V. Lost subsidies of the Reich:

The figure for the Moosbierbaum plant has been obtained by me from the aforementioned affidavit of Dr. Ernst A. Struss, NI-10011. The figure for the Stassfurt plant has been taken by me from the agreement between I.G. and the Reich Air Ministry dated 19 December 1940 and 21 January 1941.

DOCUMENT NO HI - 10016  
CONTINUED

I have carefully read each of the six pages of this declaration and have signed them personally. I have made the necessary corrections in my own handwriting and initialed them and I declare herewith under oath that I have given the pure truth to the best of my knowledge and conscience.

signed: Helmut Deichfischer  
HELMUT DEICHFISCHER

Sworn to and signed before me this 21st day of June 1947 at Frankfurt/Main by Helmut DEICHFISCHER, known to me to be the person making the above affidavit.

signed: Otto Heilbrunn  
Dr. OTTO HEILBRUNN  
Civilian, ETO 30140  
Office of Chief of Counsel  
for War Crimes  
U.S. War Department

"A CERTIFIED TRUE COPY"

-8-  
END

AFFIDAVIT

I, Dr. ERNST STRUSS, Director of I.G. Farben, Chief of TEA Bureau of I.G., secretary of the Technical Committee of the Vorstand of I.G., Manager of Division II (Sparte II) of the Vermittlungsstelle W, and, since 1943, production Manager of the entire German dyestuffs industry within the framework of the Economic Group Chemical Industry, after having first been warned that I will be liable for punishment for making a false statement, state herewith under oath, of my own free will and without coercion, the following:

I. The following investments of the Bank der Deutschen Luftfahrt A.G. in plants of I.G. and I.G. controlled companies are known to me:

|  |                |
|--|----------------|
| Heydebreck plant, annex for production of high octane gasoline |                |
| investment   | RM 175,000,000 |
| Bitterfeld plant, for production of nascogen                   |                |
| investment   | 1,700,000      |
| Schkopau plant, for production of ethylene oxide               |                |
| investment   | 6,000,000      |
| Total Luftfahrt Investments                                    | RM 182,700,000 |

II. The following investments of the Reich (other than Montan and Wifo) plants of I.G. come to my knowledge :

|                                   |               |
|-----------------------------------|---------------|
| Heydebreck plant                  | RM 57,000,000 |
| Heydebreck plant misd<br>for 1945 | 33,000,000    |
|                                   | RM 96,000,000 |

III. It also has come to my knowledge that it was agreed between I.G. and the Reich pay to I.G. a lost subsidy for the Moosbierbaum plant in the amount of RM 30,000,000 .



I have carefully read each of the two pages of this declaration and have signed them personally. I have made the necessary corrections in my own handwriting and initialed them and I declare herewith under oath that I have given the pure truth to the best of my knowledge and conscience.

gez.: Dr. Ernst A. Struss  
DR. ERNST STRUSS

Sworn to and signed before me this 12 day of June 1947  
at Frankfurt/Main by Dr. Ernst STRUSS, known to me to be  
the person making the above affidavit.

gez. Otto Heilbrunn  
Dr. OTTO HEILBRUNN  
Civilian, ETC 30140  
Office of Chief of Counsel  
for War Crimes  
U.S. War Department

" A CERTIFIED TRUE COPY "

- 2 -  
END.

TRANSLATION OF DOCUMENT No. NI - 10012  
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES

Affidavit

I, Dr. Kurt HARTMANN, Ilvesheim/Mannheim, Goethestrasse 25, after having been warned that I shall be liable to punishment for making a false statement, herewith declare the following under oath of my own free will and without coercion:

I was an expert in the office of the aparte I under Dr. GOLDBERG, from 1936 - 1945, and owing to my position I have knowledge of the connections of the I.G. Farbenindustrie A.G. with the Wirtschaftliche Forschungsgesellschaft m.b.H. (Wifo). I am therefore in a position to give from memory the sums invested by the Wifo in the plants operated by the I.G., approximately as follows, but I want to say that I do not possess any written documents from my former activity:

|                         |                        |
|-------------------------|------------------------|
| Waldenburg              | RM 11.000.000,         |
| Stickstoffwerke Ostmark |                        |
| Linz                    | 5.000.000:             |
| Embsen                  | 15.000.000:            |
| Langelsheim             | 9.000.000:             |
| Piesteritz I            | 3.000.000.             |
| Piesteritz II           | not put into operation |
| Decheritz I             | 2.500.000:             |
| Decheritz II and III    | 3.000.000:             |
| Wolfen                  | 4.500.000:             |
| Heydebreck              | 8.000.000.             |
|                         | <u>RM 66.000.000.</u>  |

in pencil: Heydebreck was not completed; and was therefore not operated by the I.G.

The Igling plant was not completed, at the Niedersachswerfen plant it was merely planned to give I.G. the order to manage the plant, but it did not materialise, and the Wifo plant for the Hydrierwerke POELITZ was not built. Sums for the investments in these works are therefore not contained in the above list.

(page 2 of original)

I have carefully read each of the two pages of this affidavit and countersigned it with my own hand, have made the necessary corrections in my own handwriting and initialled them, and I herewith declare under oath that I have stated the full truth in this affidavit to the best of my knowledge and belief.

(signature) Dr. Kurt HARTMANN

Sworn and signed before me this 19th day of June 1947 at Ilvesheim/Mannheim by Dr. Kurt HARTMANN known to me to be the person making the above affidavit:

(signature) Ellen H. PICK  
Civilian AGO 444  
Office Chief of Counsel  
for War Crimes  
U.S. War Department.

TRANSLATION OF DOCUMENT No. NI - 10012  
CONTINUED

CERTIFICATE OF TRANSLATION

2 August 1947

I, Brigitte TURK, Civ. No. 35 130, hereby certify  
that I am thoroughly conversant with the English  
and German languages and that the above is a true  
and correct translation of document No. NI - 10012.

Brigitte TURK  
Civ. No. 35 130

- 1a -

-END-

Affidavit

I, Dr. Ernst Struss, Director of the I.G. Farben, chief of the Office of the Technical Committee, Secretary of the Technical Committee of the Vorstand of the I.G., chief of Sparte II of Vermittlungsstelle V and since 1943 production manager of the entire German Dyes Industry in the framework of the Economic Group Chemical Industry, after my attention was called to the fact that I become subject to punishment if I make false statements, hereby state under oath of my own free will and without duress as follows:

- I. I have knowledge of the following investments of the Montan-Industrie-Werke G.m.b.H. in I.G. plants:

|                         |                      |
|-------------------------|----------------------|
| Doeberitz, estimated at | 12,000,000 RM        |
| Wolfen, " "             | 20,300,000 RM        |
| Schkopau, " "           | 10,000,000 RM        |
| Auschwitz, " "          | 16,000,000 RM        |
|                         | <u>58,300,000 RM</u> |

I determined the estimated figures essentially on the basis of data of the Technical Committee Office.

- II. I estimate the investments of the Montan-Industriewerke G.m.b.H. in the Anorganische Werke on the basis of data of the Technical Committee Office as follows:

|            |                       |
|------------|-----------------------|
| Gendorf    | 145,000,000 RM        |
| Dyhernfurt | 135,000,000 RM        |
|            | <u>280,000,000 RM</u> |

- III. The Montan investment for the Marl plant of the Chemische Werke Huels G.m.b.H. amounts, on the basis of the files of the Technical Committee Office, to

15,000,000 RM

- IV. The Montan investment for the Falkenhagen plant of the Monturon I estimate to be, on the basis of the extent of the plant of which I have knowledge,

90,000,000 RM

- V. The credits of the Bank der Deutschen Luftfahrt A.G. and of the Air Ministry to the I.G. and to the companies dependant of the I.G. amount, on the basis of the files of the Technical Committee, for the following plants to:



TRANSLATION OF DOCUMENT No. NI-10022  
CONTINUED

(page 1 of original, cont'd)

|                               |               |
|-------------------------------|---------------|
| Schkopau (estimate)           | 40,000,000 RM |
| Stassfurth and Aken (exactly) | 44,000,000 RM |
| Heydebreck made available     | 40,000,000 RM |
| promised                      | 40,000,000 RM |
| Auschwitz (exactly)           | 30,000,000 RM |
| Lossbierbaum (exactly)        | 65,000,000 RM |
| Merseburg (exactly)           | 60,000,000 RM |
| Garzel (estimated)            | 3,000,000 RM  |
| Huels (exactly)               | 30,000,000 RM |
| Waldenburg (exactly)          | 13,000,000 RM |

(page 2 of original)

VI. The High Command of the Army credit to the I.G. for the Heydebreck plant amounts, on the basis of the files of the Technical Committee, to

16,000,000 RM

I have carefully read each one of the 2 pages of this affidavit and countersigned them in my own hand, have made the necessary corrections in my own handwriting, and countersigned them with my initials, and hereby declare under oath that in this declaration I have told the whole truth, according to my best knowledge and belief.

(Signature) Dr. Ernst A. Struss

Sworn to and signed before me this 21st day of June 1947 at Frankfurt/ Main by Dr. Ernst A. Struss known to me to be the person making the above affidavit.

(signed) Dr. Otto Heilbrunn

Civilian ETO 30140  
Office of Chief of Counsel for War Crimes  
U.S. War Department

CERTIFICATE OF TRANSLATION

21 July 1947

I, Herbert RODECK, No. B 397944, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of the document No. NI-10022

Herbert RODECK  
No. B 397944

Affidavit

I, Paul Heinrich Doncker, residing in Kronberg in the Taunus, Gnaatstrasse 16, since 1927 titular director of the I.G., Frankfurt/M. and since 1931 principal chief of the general accounting office, after my attention was called to the fact that I become subject to punishment if I make false statements, hereby state under oath of my own free will and without duress as follows:

I. For purposes of bookkeeping the I.G. treated all new construction since 1933, which was undertaken for public offices or the branches of the Wehrmacht, either as contract plants or as Four Year Plan plants. There was only a single exception to this principle, namely Four Year Plan plants with a construction value of less than 500,000 RM, for which the I.G., taking into account the small amount involved, made no claim for the special compensation for Four Year Plan plants.

a) Contract plants were erected by the I.G. at the order of the Reich or an OK office, and financed by the authority concerned. The borrowed funds were to be paid off in all cases by the write-offs and in order that the paying off could be done at an accelerated pace, it was agreed between the I.G. and the customer as a matter of principle that the write-off rates were to be increased. These increased write-offs amounted in general to 8% (instead of 5% normal) on buildings, and 20% (instead of 10% normal) on machines and apparatuses. These write-offs brought it about that the costs with respect to the product increased accordingly, until the time when the particular plant had been written off. Up to this time the selling prices which the customer (Auftraggeber) had to pay were therefore increased accordingly. Contract plants were erected, for instance, in Bitterfeld, Eken, Rottweil and in the Leuna works.

b) In the case of Four Year Plan plants the authority which gave the order was the Plenipotentiary General for Special Questions of Chemical Production; they were essentially financed from own means and therefore there were also no arrangements here with the authority concerning the price structure. There were therefore no special agreements here with reference to repayment.

(page 2 of original)

By means of a so-called three-minister decree, beginning, as I recollect, with the year 1940, it was established, however, that for these Four Year Plan plants there could be in addition to the normal write-offs special write-offs, and these had to be recognized by the Finance Office. With respect to the amount of these special write-offs, agreements were made between the I.G. and the appropriate Finance Office Frankfurt/Main-Boerse, in which the special write-off was fixed as an additional write-off of 2% for buildings and 5% for machines and apparatuses.

Four Year Plan plants were, as I recollect, never independent plants, but only parts of plants.

II. Other forms of financial aid for public offices to the I.G. were:

a) Subventions, that is, irrecoverable contributions, which were given by the public customer to the I.G. for carrying out of a building project in the public interest. Such a subvention was paid for the magnesium

TRANSLATION OF DOCUMENT No. NI-7237  
CONTINUED

(page 2 of original cont'd)

factory Stassfurt and was projected for the Moosbierbaum plant.

b) Buna proceeds tax; this was based on a regulation between the I.G., the Reich Ministry of Economics and the Commissioner of Price Structure (Preisbildungskommissar), according to which excess proceeds of other Buna plants could be used in the construction of the Auschwitz Buna plant in an amount of up to 60 million Reichsmark. At this level the profits of the other Buna plants were therefore not to be used, as was really provided for in the Buna contracts with the Reich, to reduce the price in the case of these plants, but in order to reduce the actual costs of Buna-Auschwitz.

c) Reduction of taxes on the basis of a law of the year 1934. According to this the Reich Finance Office granted

(page 3 of original)

in individual cases tax concessions for new types of products or new processes.

These tax concessions were granted for cellulose in Wolfen and for Buna in Schkopau and Huelo.

d) East Relief (Osthilfe) Tax Decree. - According to this the I.G. was justified in claiming for its plants in Auschwitz, Heydebrock, Waldenburg, Zgierz, Aussig and Moosbierbaum freedom of evaluation for its investments in movable assets of the plant at the full amount and for their investments in buildings up to 20% of the acquisition values.

I have carefully read each of the three pages of this affidavit and countersigned them in my own hand, have made the necessary corrections in my own handwriting and countersigned them with my initials, and hereby declare under oath that in this declaration I have told the whole truth, according to my best knowledge and belief.

(Signature) Paul Doncker

Sworn to and signed before me this 7th day of June 1947 at Nuremberg by Paul Heinrich Doncker, known to me to be the person making the above affidavit.

(Signed) Dr. Otto Heilbrunn  
Civilian AGO No. 30140  
Office of Chief of Counsel for War Crimes

CERTIFICATE OF TRANSLATION

21 July 1947

B

I, HERBERT RODECK, No. B 397499, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of the document No. NI-7237.

HERBERT RODECK, No. B 397499.

ex. 683

TRANSLATION OF DOCUMENT NO. NI - 9548  
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES

I.G. LUDWIGSFEN  
Nitrogen Department

Stamp: SECRET

Handwritten: Froese

TO:  
Office of the Directorate, Sparte I, Or 51  
attention: Dr. Simmler

|                |                    |                 |                 |
|----------------|--------------------|-----------------|-----------------|
| Your reference | Your communication | Our reference   | Date            |
|                | of                 | Nickelfabrik    | 14 January 1941 |
|                |                    | Dr. LS/He. 0280 |                 |

SUBJECT: Nickel plant in Central Germany.

Enclosed herewith please find a photographic copy of the letter of the Office for German Raw and Basic Materials, Berlin, of 19 August 1937 (Diary # 56 734 / 37 -6609- IV/1 Gr./Wa.) and a copy of the letter of 7 December 1937 (Diary # 1591 / 37 IV/1 - H./Sch.), from which it can be seen that the establishment of our nickel plant at Nachterstedt/Froese was initiated by the Office for German Raw and Synthetic Materials, taking into consideration the interests of military policy.

Enclosures: Original forwarded to Factory Bookkeeping Dept. (main)

15 January '41

(Initials) Si

(page 2 of original)

Minister President Colonel General Goering  
Commissioner for the Four Year Plan  
Office for German Raw Synthetic Materials  
and

Diary # 56 734 37-6609- IV/1 Gr./Wa

File Ref. J I 5 b

(initials) FS III/2

1 c :

Must be quoted  
in further inquiries

Berlin, 19 August 1937  
Behrenstrasse 68-70  
Telephone: 12 00 48

Stamp: Received  
24 August 1937  
Vermittlungsstelle W  
Out .....

849



(page 2 of original cont'd)

REFERENCE: Your letter of 13 August 1937 Dr. Di/Fr.

SUBJECT: Nickel Plant Central Germany (Initials) Di

handwritten notes:

Firm

I.G. Farbenindustrie A.G.  
Vermittlungsstelle a

Director  
Dr. Lueller-Cunradi  
M

Berlin No 7

Unter den Linden 82

Dr. Schlecht

(initials) hpt

Director Brendel was furnished a copy  
7 September 1937 hpt

In consideration of the interests of military policy a nickel plant with a capacity of a minimum of 2,000 tons per year is to be set-up in Central Germany. You are therefore requested to plan the plant at Nachterstedt for a production of 2,000 tons of nickel per year.

Heil Hitler!

By order:

(signature:) Paul Fleiger

(page 3 of original)

Minister President Colonel General Goering Berlin, 19 August 37  
Commissioner for the Four Year Plan Behrenstr. 68-70  
Office for German Law and Synthetic Materials Telephone: 12 00 48

Diary # 56 734 37-6609- IV/1 Cr/wa Stamp: Received 24 Aug 1937  
File Ref. J I 5 b Vermittlungsstelle w  
Out .....

C o p y

REFERENCE: your letter of 13 August 1937 Dr. Di/Fr.

SUBJECT: Nickel Plant Central Germany

(page 3 of original cont'd)

Firm  
I.G. Farbenindustrie A.G.  
Vermittlungsstelle W

Berlin NW 7  
Unter den Linden 82.

In consideration of the interests of military policy  
a nickel plant with a capacity of a minimum of 2,000  
tons per year is to be set-up in Central Germany. You  
are therefore requested to plan the plant at Leichter-  
stedt for a production of 2,000 tons of nickel per year.

Heil Hitler!

By order:

(Signature:) Paul Fleiger

(page 4 of original)

Copy / Re.

Minister President Colonel General Goerring Berlin, 7 December 1937  
Commissioner for the Four Year Plan Schenestr. 68-70  
Office for German Raw and Synthetic Materials Tel.: 12 00 48

Diary # 1591 / 37 IV/1 - H./Sch.

File Ref.:

Must be quoted in further inquiries.

REFERENCE: Letter of 30 November 1937 D. 51/Sch.

SUBJECT: Nickel Plant in Central Germany

Stamp: SECRET

Firm  
I.G. Farbenindustrie Aktiengesellschaft  
Vermittlungsstelle W

Berlin NW 7  
Unter den Linden 82

The requested certificate is here-  
in sent to you as enclosure.

By order:  
signed: Rheinländer

1 enclosure: Certificate

(page 5 of original)

Minister President Colonel General Goering Berlin, 7 December 1937  
 Commissioner for the Four Year Plan Behrenstr. 68 - 70  
 Office for German Raw and Synthetic Materials Tel.: 120048

Diary # 1591/37 IV/1 H./Sch.

Stamp: SECRET

C e r t i f i c a t e

This is to certify to the I.G. Farbenindustrie Aktiengesellschaft that the establishment of a plant for the purpose of producing nickel at Nachterstedt was initiated by the Office for German Raw and Basic Materials. This is a priority construction project for the Four Year Plan.

By order:

signed: Rheinlander

C E R T I F I C A T E O F T R A N S L A T I O N

28 August 1947

I, Arthur McCLAMER, Civ. No. 20 191, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of the document No. NI - 9548.

Arthur McCLAMER.

Civ. No. 20 191

DOCUMENT NO. NI - 7242  
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES

I.G. FARBENINDUSTRIE AKTIONGESELLSCHAFT, FRANKFURT/MAIN  
-----

(IN DISSOLUTION)

Report on examination  
-----

of loans to I.G. Farbenindustrie Aktiengesellschaft  
-----

by the German Reich  
-----

JOHANN FRIEDRICH & CO.

Wirtschaftsprüfer

Wiesbaden-Biebrich,  
Rheinstrasse 25

Report No. 73

Copy No. 3  
-----



JOHANN PHILIPPI & CO.  
Wirtschaftsprüfer

Wiesbaden-Biebrich, Rheinstr.25

10 March 1947

To

CONTROL OFFICER

I.G. FARBENINDUSTRIE AKTIENGESellschaft

(IN DISSOLUTION)

FINANCE AND ACCOUNTING SECTION

LOANS TO I.G. FARBENINDUSTRIE A.G. BY THE GERMAN REICH

In accordance with instructions received, we have made an examination of the books and returns of Central Bookkeeping Department of I.G. Farbenindustrie Aktiengesellschaft at Frankfurt/M. with a view of ascertaining the amounts, and the recording in the books, of loans granted by the German Reich to I.G. Farbenindustrie Aktiengesellschaft for building and other purposes. We were directed in particular to check the information supplied on this matter by Central Bookkeeping to the Control Officer.

We herewith present our Report to which we attach three Schedules I to III.

A. SCOPE OF EXAMINATION

The following records covering from 1934 to 1944 were perused:

1. The returns of the I.G. plants, called "Assets and Liabilities of the factories", which were submitted by each plant for the preparation of annual accounts by Central Bookkeeping.
2. The returns of the Central Financial Department, called "Assets and Liabilities of Zefi", to which the same remarks apply as to No.1.
3. The statements on bank accounts and bank debts, which had been

(page 2 of original cont'd.)

submitted to Central Bookkeeping by plants, sales combines, and central departments along with annual accounts.

4. The statements on accounts receivable and accounts payable of plants, sales combines, and central departments, to which the same remarks apply as to No. 3.

5. The statements on suspense items, to which the same remarks apply as to No. 3.

6. The statements on adjustments of values, which refer, however, only to the period from 1941 to 1944.

(page 3 of original)

7. The statements on development of fixed assets values.

8. The audit report on taxes prepared by the Finanzamt Frankfurt/M. Bourse, covering the years 1937 to 1940.

9. The memos of Central Bookkeeping concerning Reich loans granted to I.G. Farbenindustrie Aktiengesellschaft.

We want to point out that Central Bookkeeping is no longer in possession of all the records for the above-mentioned period bearing on annual accounts. Missing are, in particular, with regard to the annual accounts of the Central Financial Department, the records of some individual years. As a rule, however, they could be supplemented from the other papers available.

(page 3 of original cont'd.)

B. RESULT OF EXAMINATION

Our investigation did not reveal any material differences from the figures submitted by Central Bookkeeping. In order to clarify the situation, however, we want to supply the following explanations regarding the nature and the extent of the financial connections of I.G. with the Reich. As far as we could establish, they fall within the following three categories:

- I loans of the Reich
- II lease of Reich-owned plants, special orders, and similar transactions with the Reich,
- III financing of plants constructed under contract with the Reich.

We comment on the groups as under: -

I. LOANS OF THE REICH

These loans had been granted to I.G. by special financing institutes and banks of the Reich. We have listed the loans on Schedule I which agreed with the list prepared by Central Bookkeeping, except for the debit items marked in the list of Central Bookkeeping by "A" and "B", which we inserted on Schedule II.

There is only one other loan which is connected with the Reich loans. By order of the Reichsluftfahrtministerium, the Ethyl G.m.b.H. Vertriebsgesellschaft von Ethyl-Erzeugnissen (sales combine of Ethyl products, which were produced in plant Frese and in other plants) granted in 1942 to plant Frese a loan of RM 3,000,000.— to enable the plant to repay the Reich funds extended to it by the Bank der Deutsche Luftfahrt A.G. Berlin. The Reichsluftfahrtministerium had

(page 3 of original cont'd.).

imposed this

(page 4 of original)

obligation upon the Ethyl company (besides others) when, on occasion of a price investigation, the Ethyl company was found to have realized considerable excess profits. After covering the Reich funds, the balance was to be redeemed by amortization of the fixed assets of plant Froese.

No other loans of Reich agencies, or Reich financing institutes are evident from the books. Nor do the annual accounts of the Central Financial Department exhibit any obligations to banks which might suggest that the Reich granted any other loans to I.G. Farbenindustrie Aktiengesellschaft.

## II. LEASE OF REICH-OWNED PLANTS, SPECIAL ORDERS AND SIMILAR

### TRANSACTIONS WITH THE REICH

Under this category are included the lease of plants and installations which were owned by Reich agencies, such as the nitrogen lease plants, as well as special services and deliveries of various I.G. plants to Wehrmacht agencies. These were settled by the plants direct with Central Bookkeeping and not through the respective sales departments, same as other transactions of this kind. These items are shown at varying amounts in the annual accounts of the different years.

Central Bookkeeping, in their summary of Reich loans, had characterized these liabilities by special signs. These items, however, are obviously not loans, but balances arising from current settle-



(page 4 of original cont'd)

ments and we have therefore listed them separately on Schedule II. We also included thereon several similar items which we came across when examining the annual accounts. As shown on Schedule II, these liability items are on the whole of no major importance and depend, as to their amounts at the closing dates of the individual years, upon the then state of the final settlement. Items of a similar nature were frequently carried also on the assets side of the accounts. Still others are probably included in the customers' and suppliers' current accounts and in the suspense accounts, but these could not be defined as such because they are not segregated in the records available.

(page 5 of original)

III. FINANCING OF PLANTS CONSTRUCTED UNDER CONTRACT WITH THE  
-----  
Reich.  
-----

1) Nature and extent of financing.

Financial aid was granted to I.G. by Reich agencies in connection with the construction of plants which had been built by order of and along the lines laid down by these agencies. As set forth in the tax audit report FZ 1937-1940, there were two ways of granting financial aid for such building projects:

a) The Reich agencies refunded to I.G. the cost of construction by payment of annual instalments according to the terms of a redemption plan fixed by contract. Thus the amortization of the plants was borne by the Reich agencies. It was therefore not permissible to include depreciation in the prices of the products of these plants, which

(page 5 of original cont'd)

had to calculate their costs according to the price regulations for public orders.

According to the tax audit report, this procedure was agreed upon for instance with regard to the installations constructed at the plants Alton, Teutschenthal, and Stassfurt.

b) I.G. Farben was permitted by contract to include increased rates of depreciation in the calculation of prices. After the installations had been fully amortized, no further depreciations were allowed.

This method was applied according to the tax audit report for instance to the installations established at the plants Bitterfeld and Rottweil. The financial aid granted by the Reich for plants constructed under contract with the Reich are therefore not loans, but might be looked upon as an assumption by the Reich agencies of the risk of capital investment in those plants.

When method a) was applied, the Reich took over the obligation to amortize the fixed assets values by payment of definite rates of redemption decreasing in annual grades. Under this regulation, I.G. had the advantage of fixed reimbursements and of an earlier amortization than would have been possible by charging the normal rates of depreciation on the fixed assets.

(page 6 of original)

By method b), I.G. as consignee was entitled to charge to the prices payable by Reich agencies, additional rates of depreciation beyond the normal depreciation. This resulted, same as in the case

of method a) to a quicker amortization of fixed assets erected for Reich agencies than under usual circumstances.

2) Way of recording.

With both methods I.G. had carried the plants constructed under contract on the respective asset accounts, and these were depreciated at the rates laid down in the I.G. bookkeeping instructions. The special amortization agreed to by the Reich agencies was posted to separate accounts "Amortization of contract plants" which were shown in the balance sheet as adjustments to fixed assets.

Under method a) the latter accounts were credited with the amortization amounts arranged with the Reich agencies, and were debited with the depreciation which had been deducted each year from the fixed asset accounts. After the amortization amounts had been fully provided by the Reich agencies, the credit balance accumulated on the amortization account was gradually absorbed by the transfers of annual depreciation.

Under method b) the amortization accounts were credited with the additional depreciation charged to costs. After the "contract plants" were fully amortized by accumulating a balance on the adjustment account equal to that of the book value of the respective asset, the normal depreciations were transferred to the amortization account. Thereby the latter account was gradually dissolved.

3) Calculation of the amortization of "Contract-plants".  
-----

Details of the values of the "contract plants" and of the amortization amounts were not to be seen from the documents enumerated in section I. Information may be given only by the plants concerned,

where also the contracts with the Reich agencies are being kept.

From the evidence available at Frankfurt, the following facts would seem to be ascertainable:-

Under method a) the balances shown by the amortization accounts plus the depreciation deducted from the respective fixed asset accounts indicate the total amortization provided by the Reich agencies to the respective I.G. plant. In case the amortization has been fully provided, this total equals the cost of the "contract plants" capitalized under fixed assets. This statement is subject to adjustments if sales were made also to private customers, and if credits for plants disposed of have occurred.

According to the instructions of I.G. (Inventarisierungsrichtlinien) to be applied after 1 January 1941, certain expenditure incidental to the construction of fixed assets, such as preliminary items, administration, and interest during the period of construction were to be posted to a separate account "Incidental expenses to fixed assets". These expenses are also to be covered by the amortization amounts agreed to by the Reich agencies. We have assumed that, contrary to the general procedure, in the case of the "contract plants" these costs are included in the fixed asset accounts.

Under method b) the balances shown by the amortization account plus the depreciation deducted from the respective fixed asset accounts indicate the amortizations included in the prices and accordingly paid by the Reich agencies. Otherwise, the same remarks apply as under a) above.

#### 4) Amount of amortization.

On Schedule III we have summarized from the details available the amortization accounts of the years 1943 and 1944. This Schedule shows that certain plants were fully amortized, for instance Aken, Bitterfeld, and Teutschenthal. The variations between the figures for 1944 as compared with those for 1943 originate from book transfers and



deductions of credits to fixed assets. Amortizations were still in progress in the case of the plants at Stassfurt, Scharzfeld, Ludwigshafen, Oppau, and Hoechst.

For the plant Alzen, the total amount involved aggregates RM 21,000,000.--. This sum does, however, not represent a loan of the Reich but funds invested by I.G. Farbenindustrie Aktiengesellschaft which were amortized by Reich agencies on the basis of agreements as described in our Report.

C. CONCLUSION

The books and records of I.G. Farbenindustrie Aktiengesellschaft, Frankfurt, disclose the following groups of accounts in connection with financing by the German Reich:-

1. Loans granted by the Reich, chiefly for the construction of plants (See Schedule I).
2. Balances due by I.G. Farbenindustrie Aktiengesellschaft to the Reich, which arise from settlements in connection with Reich-owned plants leased to I.G. Under this heading are also carried items referring to special deliveries of I.G. plants (See Schedule II).
3. Amortization-accounts for so called "contract-plants". The latter accounts are not liabilities of I.G. Farbenindustrie Aktiengesellschaft, but represent reserves against the book values of fixed assets constructed by I.G., but for which the Reich agreed to refund the amortization (See Schedule III).

The above statement refers only to the I.G. Farbenindustrie Aktiengesellschaft. It does not cover the legally independent subsidiary companies of I.G. which prepare separate accounts.

JOHANN PHILIPPI & CO.

gez. Johann Philippi

Wirtschaftspruefer.

I.G. FARBENINDUSTRIE AKTIENGESELLSCHAFT

Balances shown as due to offices and financing  
on loan accounts in the balance sheet returns for

|                    |   | 1934-37 | 1938 | 1939         |
|--------------------|---|---------|------|--------------|
| <u>I.G. Plants</u> |   |         |      |              |
| Ludwigshafen       | Bank der Deutschen Luftfahrt A.G., Berlin |         |      |              |
| "                  | Oberkommando des Heeres                   |         |      |              |
| Prose              | Bank der Deutschen Luftfahrt A.G., Berlin |         |      | 4,734,877.44 |
| Bitterfeld         | do. /                                     |         |      |              |
| Stassfurt          | do.                                       |         |      |              |
| Schkopau           | do.                                       |         |      |              |
| Haydebreck         | do. SS Oelanlage                          |         |      |              |
|                    | Tanol Energieversorgung                   |         |      |              |
|                    | Fluidanlage Flora                         |         |      |              |
|                    | Kanal Energieversorgung                   |         |      |              |
| Auschwitz          | Bank der Deutschen Luftfahrt A.G., Berlin |         |      |              |
|                    | Deutsche Industriebank, Berlin            |         |      |              |
| Moosbierbruch      | Bank der Deutschen Luftfahrt A.G., Berlin |         |      |              |
| Together RM        |   | --      | --   | 4,734,877.44 |

SCHEDULE IWANKFURT/MAIN

institutes of German Reich  
the years ended 31 December

| 1940         | 1941          | 1942          | 1943           | 1944            |
|--------------|---------------|---------------|----------------|-----------------|
|              |               | 7,873,095.--  | 9,900,000.--   | 6,200,000.--    |
| 2,876,337.39 |               |               | 1,044,349.39   | 444,411.39      |
| 6,900,265.47 | 7,039,070.02  | 3,558,635.83  | 2,695,081.85   | 1,968,579.63    |
|              | 12,726,000.-- | 11,304,000.-- | 8,800,000.--   |                 |
|              |               |               |                | 6,368,000.--    |
|              |               | 6,000,000.--  | 20,000,000.--  | 26,000,000.--   |
|              |               |               | 8,195,137.--   | 13,834,461.25   |
|              |               |               | 24,363,388.--  | 30,412,500.--   |
|              |               |               | 2,011,113.--   | 6,183,943.75    |
|              |               |               | 2,011,113.--   | 3,138,570.--    |
|              |               |               | (36,531,251.-- | (58,574,475.--) |
|              |               |               | 12,118,177.--  | 24,000,000.--   |
|              |               |               | 4,050,000.--   | 16,000,000.--   |
|              |               |               |                | 10,000,000.--   |
| 9,776,602.80 | 19,765,070.02 | 28,735,730.83 | 95,288,859.24  | 129,555,466.02  |

(page 10 of original)

## I.G. FARBEINDUSTRIE AKTIENGESELLSCHAFT

Balances shown as due to offices and financing

on trade accounts in the balance sheet returns

|                        |  | 1934-37 | 1938       | 1939         |
|------------------------|--|---------|------------|--------------|
| <u>I.G. Plants</u>     |  |         |            |              |
| Ludwigshafen           | Oberkommando des Heeres                                |         |            | 944.173.74   |
| Waldenburg             | Wirtschaftliche Forschungs-gesellschaft mbH., Berlin   |         |            |              |
| Griesheim              | Oberkommando des Heeres, Berlin                        |         |            |              |
| Bitterfeld             | Reichsluftfahrtministerium                             |         |            |              |
| Wolfen Film            | Oberkommando des Heeres, Muenchen                      |         |            |              |
| Schluppen              | Bank der Deutschen Luftfahrt A.G., Berlin              |         | 173.207.78 |              |
| Stickstoff-Fachbetrieb | Wirtschaftliche Forschungs-gesellschaft m.b.H., Berlin |         |            | 753.629.09   |
| Together               |  | R/ -    | 173.207.78 | 1,697.801.83 |



DOCUMENT NO. NI - 7242 cont'd.

(page 10 of original cont'd)

Institute of German Reich

for the years ended 31 December

SCHEDULE II

| 1940       | 1941         | 1942       | 1943         | 1944       |
|------------|--------------|------------|--------------|------------|
|            | 1.118.588.32 |            |              |            |
|            | 717.353.--   |            |              |            |
|            | 935.559.11   |            |              |            |
|            | 355.018.14   |            |              |            |
| 510.752.16 | 667.891.00   | 866.012.12 | 1.539.134.-- | 826.597.-- |
| 510.752.16 | 3.494.409.63 | 866.012.12 | 1.539.134.-- | 826.597.-- |

(page 11 of original)

I. G. FARBENINDUSTRIE AKTIEGESELLSCHAFT FRANKFURT / M.  
-----Amortization of plants constructed under contract  
-----

Year 1943

|               | Total<br>Original Cost | Book Value   | Depreciation |
|---------------|------------------------|--------------|--------------|
| Ludwigshafen  | ?                      | ?            | 2,034,921.—  |
| Oppau         | ?                      | ?            | 1,574,877.—  |
| Keechst       | 2,541,780.—            | 2,148,681.—  | 393,099.—    |
| Uerdlingen    | ?                      | ?            | ?            |
| Bitterfeld    | 9,214,894.—            | 1,676,753.—  | 7,538,141.—  |
| Aken          | 21,620,778.—           | 4,744,089.—  | 16,916,689.— |
| Tautschenthal | 2,741,728.—            | 603,550.—    | 2,138,178.—  |
| Stassfurt     | 36,466,157.—           | 16,497,105.— | 19,969,052.— |
| Scharzfeld    | 1,134,100.—            | 802,341.—    | 331,759.—    |
| Rettweil      | 3,371,958.—            | 1,407,310.—  | 1,964,648.—  |
| Together NI   | -                      | -            | 52,961,354.— |

(page 11 of original cont'd)

with Reich (Vertragsanlagen)  
-----

| Year 1943  |                       | Year 1944              |
|--|-----------------------|------------------------|
| Adjustment of<br>Values of<br>"Vertrags-<br>anlagen" | Total<br>Amortization | Total<br>Original Cost |
| 960.962.--   | 3.995.883.--          | ?                      |
| 1.600.012.--   | 3.174.889.--          | ?                      |
| 391.451.--   | 784.550.--            | 2.641.053.--           |
| 198.288.--   | 198.288.--            | ?                      |
| 1.876.753.--   | 9.214.894.--          | 9.209.606.--           |
| 4.704.092.--   | 21.620.781.--         | 21.533.201.--          |
| 603.550.--   | 2.741.728.--          | 2.626.494.--           |
| 8.547.361.--   | 28.516.413.--         | 36.275.600.--          |
| 242.956.--   | 574.715.--            | 800.614.--             |
| 1.407.310.--   | 3.371.958.--          | 3. 395.984.--          |
| 20.332.735.--  | 73.194.099.--         | -                      |

108

(page 11 of original cont'd)

SCHEDULE III

| Year 1944     |               |  |                       |
|---------------|---------------|--|-----------------------|
| Book Values   | Depreciation  | Adjustment of<br>Values of<br>"Vertrags-<br>anlagen" | Total<br>Amortization |
| ?             | 2,308,267.--  | 1,004,114.--   | 3,512,381.--          |
| ?             | 2,417,839.--  | 2,419,005.--   | 4,837,244.--          |
| 2,010,21.--   | 630,760.--    | 630,905.--   | 1,257,665.--          |
| ?             | ?             | 261,120.--   | 2 61,120.--           |
| 1,450,802.--  | 7,752,804.--  | 1,450,802.--   | 9,209,606.--          |
| 4,281,428.--  | 17,251,773.-- | 4,281,431.--   | 21,533,204.--         |
| 547,833.--    | 2,072,661.--  | 547,833.--   | 2,620,494.--          |
| 13,183,392.-- | 23,091,708.-- | 7,417,783.--   | 30,509,491.--         |
| 562,433.--    | 68,181.--     | 142,073.--   | 210,254.--            |
| 1,172,450.--  | 2,223,524.--  | 1,172,450.--   | 3,395,934.--          |
| -             | 58,023,327.-- | 19,324,116.--  | 77,347,443.--         |



(page 11 of original cont'd)

Notes:

The column "Total Amortization" contains, subject to the remarks in our Report,

under method a) the whole of the amortization amounts paid by Government offices

" " b) the additional depreciation included in the costs.

For the plants Ludwigshafen, Oppau and Urdingen the original cost and the book values were not available.

For the plant Urdingen the amounts of normal depreciation were also not available.

"A CERTIFIED TRUE COPY"

- 13 c -  
E n d

COPI OF DOCUMENT No. NI-7242  
OFFICE OF CHIEF OF COUNSEL  
FOR WAR CRIMES

ERRATA SHEET

Page 13 of the English copy of NI-7242, last line should read:

.....  
-----  
Together RI        -        -        52,861,364.—  
-----

-----  
Errata sheet prepared by:

JOHN J. BOLL  
U.S. Civilian  
AGO No. A-444412

- END -

AFFIDAVIT .

I, Dr. Max ZEIDELHACK, at present residing in Munich, Von der Pfordtenstr. 25, Ministerialdirigent a.D. (retired), having been warned that I render myself liable to punishment for any false statement, hereby state voluntarily and without coercion as follows:-

1. I entered the Army Ordnance Office (Heereswaffenamt) in 1934 as a clerk, became in the same year Regierungsrat and Oberregierungsrat, in 1935 Ministerialrat and in 1940 Ministerialdirigent. I remained in the Army Ordnance Office in the last-named position until January 1945.

From 1938-1943, I was departmental chief of the Works Economy Department (Betriebswirtschaftliche Abteilung) which dealt with the commercial matters and industrial contracts. From 1935 until January 1943, I was also the leading Business Manager of the company, Verwertungsgesellschaft fuer Montan-industrie G.m.b.H., whose shares were in the hands of the High Command of the Army (OKH).

2. The Montan administered, before the outbreak of the war in 1939, altogether 62 Army-owned projects, in operation or in course of building. These extended over nearly all the fields of Army requirements, viz., the manufacture of ammunition, including fuses and shellcases, motors for combat vehicles, machineguns and rifles, tank parts, gunbarrels (Geschuetzrohlinge), signalling apparatus and gauges, and also a steel foundry in the metal-working sector. In the chemical sector the production of explosives, gunpowder and chemical warfare agents was carried out or planned.

3. Of the 62 Montan Works, 25 were metal-processing plants and 37 were chemical plants. Of the 37 chemical works, 36 were built and run by the I.G., the DAG, the Verwertchemie and the Deutsche Sprengchemie. The capital value of these 36 works I estimate at 1.2 Billion RM.

4. In the view of the then Chief of the Army Ordnance Office, General of Artillery BECKER, and according to the statements of the competent

( page 2 of original )

Munitions Department Chief in the Army Ordnance Office, Freiherr POEDER v. DIERSBURG, as well as in my own opinion, a total of 30 Montan works in the metal-processing and chemical sectors would have been sufficient to cover the requirements of the peacetime Army from Reich-owned factories. To cover this requirement on the chemical side, 15-18 factories would have been sufficient.

The factories erected by the I.G. and its subsidiary companies to cover this requirement in the pre-war period were therefore double the number of those needed for peacetime requirements.

5. The above-mentioned opinions of General BECKER and Freiherr v. DIERSBURG, were several times expressed to me in the course of official discussions during 1938, in fact, regularly whenever the General Staff ordered new planning projects. I have already recorded my own opinions in a memorandum written in 1936. In this memorandum, I expressed the view that 30 Works were sufficient to cover the above-mentioned peacetime requirements in the metal-processing and chemical sectors, of which number in no case should more than 20 be assigned to the chemical industry.

6. The I.G. and its subsidiary companies manufactured in the Montan Works all kinds of powders and explosives and their chemical preliminaries and operated the necessary filling shops.

I have carefully read through and signed with my own hand the 2 ( two ) pages of this Declaration, have made the necessary corrections in my own handwriting and countersigned them with my initials and I hereby declare under oath that in this Declaration I have told the absolute truth to the best of my knowledge and belief.

( Signature ) Dr. Zeidelhack Max  
Dr. Max ZEIDELHACK

Sworn to and signed before me this 31st day of July 1947 at the Palace of Justice, Nurnberg, Germany, by Dr. Max ZEIDELHACK, known to me to be the person making the above affidavit.

( Signature ) Otto Heilbrunn  
Dr. Otto HEILBRUNN  
ETO 30140  
Office of Chief of Counsel  
for War Crimes  
U.S. War Department.



CERTIFICATE OF TRANSLATION

27 August 1947

I, Anne MARTIN, ETO No. E 00848, hereby certify that I am thoroughly conversant with the English and German languages; and that the above is a true and correct translation of the document No. NI-9193.

ANNE MARTIN  
E 00484

TRANSLATION OF DOCUMENT No. NI-7429  
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES

Copy

Ministerialrat a.D. Dr. Buhl

Frankfurt/Main, 19 December 1939  
Gruensburgplatz

Rubber Stamp:  
SECRET

1. This is a secret matter within the meaning of Article 88 of the Reich Penal Code.
2. To be transmitted only under cover; if sent by post, to be registered.
3. To be kept, at the responsibility of the addressee, under lock and key.

Legal Department, Berlin NW 7, Unter den Linden 82,  
Legal Department Berlin SO 36,  
Legal Department Dyestuffs Frankfurt/Main,  
Legal Department Ludwigshafen/Rhine,  
Legal Department Leverkusen,  
Legal Department Ammoniakwerk Merseburg GmbH.,  
I.G. Bergwerksverwaltung (Mine Administration), Halle/Saale  
Duisburger Kupferhütte, Duisburg,  
Kalle & Co A.G., Wiesbaden-Biebrich.

Subject: W.W.-plants (Military Economy Plants)

It has proved to be necessary to set up a central office at the undersigned's, in order to facilitate a survey on the W.W.-plants, the establishment of which is being handled by the most diverse departments of I.G., and also particularly for the purpose of ensuring uniform procedure in the juridical handling of contracts to be concluded for such plants.

This central office will replace the Central Office for Contracts in Ludwigshafen for the afore-mentioned W.W.-contracts. The name of the undersigned will serve as postal address.

The central office is to be informed of all negotiations with Wehrmacht offices concerning the setting-up of W.W.-plants, through the submission of drafts of the contracts (single copy). A more detailed description of the product or process may be omitted in notifications and drafts of contracts as far as this is deemed necessary for reasons of secrecy.

Notification (together with a copy of the contract) is also to be extended to contracts which have been already signed, in as far as they have not already been reported for other reasons.

signed: Buhl

Ø Herr Dr. von Kniering, Ludwigshafen  
Herr Dr. Bruggemann, Leverkusen,  
Dynamit A.G., formerly A. Nobel, Troisdorf,  
A. Riebeck'sche Montanwerke A.G., Halle,  
Vermittlungsstelle W, Berlin NW 7.

Initials: TDG / Wa Mo

- 1 -

107

(page 2 of original)

Copy

Ministerialrat a.D. Dr. Buhl

Frankfurt on Main  
20 December 1939  
Grueneburgplatz.

Rubber Stamp:

SECRET !

1. This is a secret matter within the meaning of article 88 of the Reich Penal Code.
2. To be transmitted only under cover; if sent by post, to be registered.
3. To be kept, at the responsibility of the addressee, under lock and key.

Legal Department Berlin NW 7, Unter den Linden 82,  
Legal Department Berlin SO 36,  
Legal Department Farben, Frankfurt on Main,  
Legal Department Ludwigshafen on Rhine,  
Legal Department Leverkusen,  
Legal Department Ammoniakwerk Merseburg GmbH.,  
I.G. Bergwerksverwaltung (Mine management) Halle on the Saale.

Subject: W.W.-Plants (Military Economy Plants).

It is necessary, under all circumstances, to prevent Reich-owned plants, which have been established by us adjacent to our works, later on getting into the hands of third parties, and it is desirable for us to have the possibility of acquiring them at their value at the time of sale, should the Reich have no further interest in the plants.

In as far as the Reich plants are established on leasehold sites, these considerations have already been fulfilled, the first one through the regulation that the leasehold construction rights may only be sold or encumbered with the approval of I.G., and the latter through the restriction of the leasehold construction rights to a fixed period of time and through the regulation stating that prior to the expiry date negotiations can be made concerning the expiry of the leasehold construction rights, provided that the customer has no further interest in maintaining the plants operational. It has been intended to amend Article 8 of the leasehold agreement draft which is here applicable, to the effect that in the aforementioned case MONTAN as well as I.G. can demand the expiry of the leasehold agreement prior to the original date of expiry.

In as far as a Reich plant was set up on Reich-owned land, or by virtue of the right of common (Grunddienstbarkeit), the above-mentioned considerations have to be fulfilled by other means, namely, through pre-emption and option rights.

TRANSLATION OF DOCUMENT No. NI-7429  
CONTINUED

(Hand-  
written

(page 2 of original, cont'd)

Initials:) Finally, the leasehold contracts must state that the plant may  
Ma only be operated by I.G., or a subsidiary company designated by I.G.  
TDC for this purpose, so that the possibility of the plant being passed  
(deleted) on to third parties is eliminated.

signed: Buhl.

Wa Ø Dr. v. Knieriem, Ludwigshafen,  
Dr. Bruggemann, Leverkusen.

-----

CERTIFICATE OF TRANSLATION

15 August 1947

I, Arthur MACNAMARA, No. 20191, hereby certify that I am thoroughly  
conversant with the English and German languages and that the above  
is a true and correct translation of the document No. NI-7429.

.....  
Arthur MACNAMARA  
No. 20191

- 3 -  
"END"

log



I T Ki/gr (Trans Note):  
(Stamp:  
Top Secret)

Berlin, 21 April 1943

6 copies  
1st copy

Notes for Report

"Danger from the Air for the Plenipotentiary-General Chemistry Plants"

The air attack on Krupp has proved what destruction can be caused on first rank armament plants when adequate forces are used. If the same means are used in air attacks on a large-scale chemical plant the effect will still be greater because of the accumulation of inflammable and explosive material within a small space, and further because of the particularly extensive mechanization, the inter-relationship and mutual dependence of all production processes, moreover in view of the greater requirements in time and material in case the plant has to be shifted. Hence it follows that the effects of a mass attack from the air on a large-scale chemical plant have to be reduced by all possible means.

There are two ways:

a) Passive air defense.

In all chemistry plants essential for war production a most severe check of the means for limiting the effects of explosions, fire and poison gas must once more be carried out. Removal of all combustible building sections, wooden ceilings above the machinery halls etc., of barracks within the compound of the factories. In order to avoid loss of time that could never be made good in connection with this work, the GB (Plenipotentiary) for Building should be informed within 24 hours of the building volume and manpower for all work for improving air raid protection which has been recognized as necessary by the Plenipotentiary-General Chemistry in cooperation with the efficiency experts of the Plenipotentiaries for Building.

(Precautionary protection against disasters!) (Trans Note):

Handwritten Note: DANGER  
Plants!

b) Active air defense.

Above that, the strengthening of the active air defense for a limited number of large-scale chemical plants which are of decisive importance for warfare as a whole and which could not be shifted either immediately or in case of emergency has to be demanded.

In this connection the immediate installation of smoke screen equipment, permanent fighter screen during day and night within the approach area, balloon barrages and reinforcement especially of regular heavy anti-aircraft artillery for defense against high-altitude bombing attacks.

(page 2 of original)

The following chemical plants are of great importance to the war (Figures stated in accordance with the production situation in the middle or by the end of 1942):

(page 2 of original cont'd)

1. Leuna: The total loss of the plant would mean losing:  
15 to 20% of the aviation gasoline production  
12% of the lubricants production for aircraft engines  
40% of the ammonium nitrogen production  
27% of the methanol production  
6% of the mersol production  
- decisive reduction of the production of explosives, thus  
the abandonment of programs which are at present considered  
to be of war-deciding importance, furthermore by the short-  
age of nitrogen fertilizer an unbearable reduction of agri-  
cultural production, a decisive curtailment of the mineral  
oil program, especially of high-grade aviation gasoline and  
of the supply of detergents.

2. Ludwigshafen-Oberrhein:

The total loss is of similar significance to fertilizer  
production (36% of the ammonia production) as Leuna. In  
addition to that a considerable curtailment of the fuming  
acid, Buna and fatty acids (37%) production and a number of  
other extremely important products as for instance Kaurit glue,  
Oppanol, high grade motor fuels, etc.

The total breakdown of both plants (1. and 2.) means a  
considerable encroachment on the German food situation and  
will not fail to have serious effects on many other fields  
(explosives, synthetics).

(page 3 of original)

3. and 4. The breakdown of Buna at Huels and Schkopau means practically  
the end of the motorization of Wehrmacht and economy.
5. The total breakdown of Poelitz means a considerable curtail-  
ment of aviation gasoline production (20%).
6. Gelsenberg same as Poelitz (20%).
7. 8. and 9. Bremen-Ostfischhausen, Hamburg-Grasbrook and Harburg.  
Total breakdown means decisive curtailment of aviation  
lubricants production (60%).
10. 11. Deag, Rositz, Wolheim: Total breakdown means decisive  
damage to fuel oil production for the Navy.
12. Wesseling: Total breakdown means considerable damage to  
aviation gasoline and Diesel fuel production.
13. Scholven: Total breakdown means a considerable curtailment  
(16%) of aviation gasoline production.
14. Oberhausen-Holten: Total breakdown means a considerable  
curtailment of lubricants production.
15. Hoechst: Total breakdown means substantial impairment of  
powder and explosives production as well as danger to  
the smoke-screen program.

TRANSLATION OF DOCUMENT No. NI-8594  
CONTINUED

(page 3 of original cont'd)

16. Leverkusen: Total breakdown means a heavy inroad in<sup>to</sup> the supply of pharmaceuticals, endangering the manufacture of Buna (accelerators) and its development. Endangering the production of leather (synthetic tannins) and encroachment on the funding acid production.

(page 4 of original)

17. Uerdingen: Total breakdown means a considerable reduction of the preliminary products for the powder and explosives manufacture (stabilizers, aniline, chlorine).
18. Brabag-Magdeburg: Total breakdown means a considerable impairment of the submarine Diesel fuel.
19. Brabag-Zeitz: Total breakdown means loss of a considerable portion of the paraffin supply for synthetic fatty acid (at present 35%) and of synthetic aviation lubricants, besides motor fuel production.
20. Brabag-Bochlen: Total breakdown means considerable loss in aviation gasoline production (12%).
21. Norag, Misburg: Total breakdown means considerable damage to the capacities for processing raw oil (20%) and to aviation motor oil (15%).

By order:  
(Signature) Oeckl

6 copies:  
1st copy: Prof. Krauch  
2nd copy: Dr. Ritter/Dr. Ad. Mueller  
3rd copy: Lieutenant Colonel Kirschner  
4th copy: Dr. Oeckl  
5th copy: v. Kriegstein  
6th copy: Reserve.

CERTIFICATE OF TRANSLATION

10 July 1947

I, DOROTHEA L. GALENSKI, STO No. 34079, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of the document No. NI-8594.

DOROTHEA L. GALENSKI, STO No. 34079.

Case 6  
NI 11267 8594  
after Doc. 32  
Doc. Bk.

TRANSLATION OF DOCUMENT No. NI-11267  
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES

A F F I D A V I T

I, Dr. Ernst August STRUSS, Director of I.G. Farbenindustrie Aktiengesellschaft from 1934 - 1945, Chief of the TEA Bureau (Office of Technical Committee) of the I.G. Farbenindustrie A.G., from 1926 - 1945, Chief of the Sparte II of the Vermittlungsstelle W and from 1943 - 1945, Production Manager of the entire German dyestuffs industry within the framework of the Economic Group Chemical Industry and since 1 December 1945, employee of the Control Office I.G. Farbenindustrie (OMGUS) Frankfurt on M. APO 757 Postm. U.S. Army, after having first been warned that I will be liable to punishment for making false statement, state herewith under oath, of my own free will and without coercion, the following:

Document NI-2861 has been shown to me today. Having carefully read this document I state the following to the best of my recollection:

- 1) All the works of I.G. and the affiliated works insofar as they used to send in credit requests to the TEA, had at first to subdivide their credits into which were connected with the Four Year Plan and those which were not required by the Four Year Plan for submission to the TEA meeting on 20 October 1936. Such lists were handed in by all I.G. plants. This custom was kept up for approximately 2 to 3 years, until it lost its meaning at the beginning of the war.
- 2) All credits already current at the beginning of 1937 were subsequently subdivided into those which belonged into the framework of the Four Year plan or those which had nothing to do with it.

These lists were handed in by all the plants in a similar manner as described on Pages 2, 4 to 13, of Document No. NI-2861, re: Works Combine Lower Rhine under Leverkusen, of 16 February 1937.

I have carefully read the above statement consisting of 2 pages and have signed it personally. I have made the necessary corrections in my own handwriting.

(Page 2 of original)

and initialled them and I declare herewith under oath that I have stated the full truth to the best of my knowledge and belief.

(signed) Dr. Ernst A. STRUSS  
/t/ Dr. Ernst A. Struss

Sworn and signed before me this 20th of September 1947 at Krefeld Uerdingen, Germany, by Dr. Ernst A. STRUSS, known to me to be the person making the above affidavit.

(signed) Karl Kalter  
/t/ Karl Kalter  
AGO No. D-231664  
Office Chief of Counsel  
for War Crimes  
U. S. War Dept.



TRANSLATION OF DOCUMENT No. NL-11267  
(Cont'd)

CERTIFICATE OF TRANSLATION

I, Dorothea L. GALEWSKI, ETO No. 34079, hereby certify that I am thoroughly conversant with the English and German languages, and that the above is a true and correct translation of the Document No. NL-11267

DOROTHEA L. GALEWSKI  
ETO No. 34709

( E N D )

MILITARY TRIBUNAL NO. \_\_\_\_\_  
CASE NO. VI \_\_\_\_\_  
Prosecution Document Book No. XXXIII

*English*



INDEX  
TO  
DOCUMENT BOOK XXXIII

Count I-D

Case No. VI.

FARBEN PARTICIPATED IN CREATING AND  
EQUIPPING THE NAZI MILITARY MACHINE  
FOR AGGRESSIVE WAR.

| Exhibit<br>No.                                   | Document<br>No. | Description of Document  | Page<br>No. |
|--|-----------------|--|-------------|
|  | NI-7743         | Affidavit of Dr. Jacobi, former I.G. official, re importance of Farben's Haber-Bosch process in manufacture of explosives.   | 1           |
|  | NI-9049         | Affidavit sworn by Dr. Hans Wagner on Farben's share in making Germany self-sufficient in nitrates and in replacing Chile as the main source of supply for other countries.  | 6           |
| Exhibit 325)                                     | NI-8313         | Affidavit sworn by Dr. Ernst Struss (already in evidence in Book XII as that Farben and its subsidiaries manufactured 84 % of Germany's explosives and 70 % of Germany's gun powder from its nitrogen and intermediate production. | 11          |
| (already in evidence in Book XIV as Exhibit 362) | NI-4927         | Minutes of the first meeting of Commercial Committee of Farben, dated 20 August 1937, when Dr. Paul Mueller, Director General of D.A.G., is invited to attend future meetings of this committee.                                   | 13          |
| (already in evidence in Book II as Exhibit 50)   | NI-7239         | Affidavit of Paul Dencker of 7 June 1947 concerning 1926 agreement between Farben and DAG.   | 11          |
| (already in evidence in Book XII as Exhibit 326) | NI-6977         | Statement of the defendant Von Knieriem, concerning I.G. Farben and DAG, 16 December 1946.   | 23          |



| Exhibit Document<br>No.  | No. | Description of Document   | Page<br>No. |
|--|-----|---|-------------|
| NI-6345<br>(already in<br>evidence in<br>Book XII as<br>Exhibit 327) |     | Original copy of letter from DAG to Farben stating that "Dynamit A.G. is practically a part of I.G. Farben", dated 30 April 1940.   | 26          |
| NI-5762<br>(already in<br>evidence in<br>Book V as<br>Exhibit 108)   |     | Letter from I.G. Farben of 28 August 1935, signed by Pistor to Buhl, I.G. Frankfurt, enclosing minutes of conference with Zahn of Army Ordnance Office of 23 August 1935, re-agreement on establishment of diglycol plant at Wolfen; the plan to construct a stand-by plant for stabilizers (to be used only in case of war); and the production of hexogene by DAG.  | 28          |
| NI-5761<br>(already in<br>evidence in<br>Book V as<br>Exhibit 109)   |     | Strictly confidential memorandum signed by Pistor on a discussion with Zahn, Army Ordnance Official, in Berlin on 19 September 1935, concerning Diglycol (explosives ingredient).   | 31          |
| NI-6144<br>(already in<br>evidence in<br>Book V as<br>Exhibit 110)   |     | 1942 contract between the German Reich and I.G. Farben, where under Farben authorizes the Army Ordnance Office to use "free of charge for an unlimited time . . . . for purpose of the German Wehrmacht its process for the manufacture of hexogene which Farben had developed in 1935, on its own initiative."   | 34          |
| NI-6498<br>(already in<br>evidence in<br>Book V as<br>Exhibit 111)   |     | Strictly confidential letter of 13 December 1935, from Dynamit A.G. Nobel in Troisdorf to Director Kraenzlein of I.G. Farben Hoechst for the Army Ordnance Office containing information about the cooperation of I.G. Farben and Dynamit A.G. in the production of explosives.   | 38          |
| NI-4490<br>(already in<br>evidence in<br>Book V as<br>Exhibit 114)   |     | Pistor's note of Pistor, deceased Vorstand member, on discussion with Zahn of 13 September 1936. Zahn conferred on Germany's chlorine situation with Ritter (V/W Sparte), and was apprehensive that there was insufficient chlorine for Case A. Pistor and Zahn discussed location of new calcium sulphuric acid plant and Zahn said still two more plants were needed as emergency or preparedness plants. Diglycol capacity of Ludwigshafen mentioned as sufficient for present, since all powders not yet tested. Soon I.G. Farben must increase phosgene production, etc. | 4W          |



| Exhibit Document<br>No.  | No. | Description of Document  | Page<br>No. |
|--|-----|--|-------------|
| NI-4488<br>(already in<br>evidence in<br>Book V as<br>Exhibit 115) |     | Memorandum of 17 December 1936 on a visit of Zahn to I.G. Farben Wolfen and Bitterfeld. Zahn indicates that in view of the shortage of glycerine it was urgently necessary that the Diglycol plant at Wolfen be put into operation on 1 March 1937.  | 42          |
| NI-4487<br>(already in<br>evidence in<br>Book V as<br>Exhibit 116) |     | Confidential letter of 17 December 1936, from Pistor to Buhl stating that I.G. Farben Bitterfeld had a visit from Zahn who informed them that the main agreement regarding Diglycol had been signed. Zahn had indicated that immediately the first Diglycol plant was ready it would be necessary to put it into operation.  | 43          |
| NI-4489<br>(already in<br>evidence in<br>Book V as<br>Exhibit 117) |     | This memorandum of 11 January 1937, of distance conversations between Wittmer of I.G. Farben and Buhl of the Army Ordnance Office regarding the plant in Ammendorf which had to be put into operation promptly. The Wolfen plant was discussed from the point of view of completing formalities quickly and putting the plant into operation promptly.   | 44          |
| NI-4492<br>(already in<br>evidence in<br>Book V as<br>Exhibit 118) |     | Memorandum of 30 January 1937, on a discussion in Berlin between Zahn of the Army Ordnance Office and Buhl, Pistor and Virck of I.G. Farben. Before draft of lease agreement for the plant for production of Diglycol was discussed and the estimation sent to the Army Ordnance Office for covering the production of the Diglycol plant to 400 tons per month and the phosgene plant to 600 tons per month were being checked. | 45          |
| NI-4491<br>(already in<br>evidence in<br>Book V as<br>Exhibit 119) |     | Letter from I.G. Farben Wolfen, signed by Virck to Buhl, I.G. Farben Frankfurt, of 6 February 1937, enclosing a memorandum regarding a visit to the Army Ordnance Office on 4 February 1937. The above-mentioned memorandum reveals that the products, Diglycol especially, were discussed from the point of view of estimated production capacity at Wolfen and Ludwigshafen and storage facilities.                            | 47          |

| Exhibit Document<br>No.  | No. | Description of Document   | Page<br>No. |
|--|-----|---|-------------|
| NI-4486<br>(already in<br>evidence in<br>Book V as Ex-<br>hibit 120)   |     | Correspondence dated 16, 17, 18<br>March 1937, between Boeckler of<br>the Legal Department of I.G. Far-<br>ben at Ludwigshafen and Buhl,<br>with reference to the agreements<br>prepared by Buhl for the Diglycol<br>plant at Wolfen, originally planned<br>as a more standby plant but already<br>put in operation. Obligation for<br>keeping strict secrecy is stressed.  | 52          |
| NI-5763<br>(already in<br>evidence in<br>Book V as<br>Exhibit 121)     |     | Letter of 25 March 1937 from Pistor<br>to Buhl revealing that the Wolfen plant<br>was about to go into operation and its<br>production would go to the explosive<br>factories Wessing and Dynamit Nobel. An<br>enclosed letter from the Army High<br>Command to I.G. Farben of 25 March<br>1937 discloses that office OTH is in<br>agreement with Farben to put the Dig-<br>lycol plant at Wolfen into operation<br>as quickly as possible. | 53          |
| NI-4493<br>(already in-<br>troduced in<br>connection<br>with "Plants") |     | Contract between I.G. Farben and OTH re<br>standby plants for production of Diglycol<br>and stabilizers. Preamble contains recital<br>of orders given for explosives.   | 57          |
| NI-5668<br>(already in<br>evidence in<br>Book V as<br>Exhibit 127)     |     | Report of nitrogen conference at Louna on<br>22 December 1937 showing increase in nit-<br>rogen production in 1937 throughout Four<br>Year Plan.  | 65          |
| NI-5896  |     | Minutes of the meeting of the technical<br>management Hoechst on 3 May 1937, where<br>Stahl informs the meeting that the nit-<br>rogen department sales are rising con-<br>siderably.   | 70          |
| NI-4636  |     | Memorandum of chemical sales combine of<br>I.G. dated February 5, 1937 re manufac-<br>ture of decontamination oil.  | 71          |

| Exhibit Document<br>No.   | No. | Description of Document   | Page<br>No. |
|---|-----|---|-------------|
| NI-4634<br>(already in<br>evidence in<br>Book V as<br>Exhibit 122)    |     | Secret file memorandum of V/W, signed Wagner, on substance for decontamination of weapons, of 25 June 1938. This memorandum reveals that officials of V/W were invited on 25 June 1938 to the Army High Command and spoke there to pharmacists. The production of the substance for the decontamination of weapons in Wolfen according to the discussion at the Army High Command, is to be brought up immediately to the greatest capacity possible at the present time, i.e. 17 tons per month. The increase to 34 tons per month is not to be carried out by 1 November 1938, but by 1 September 1938. | 73          |
| NI-5687<br>(already in<br>evidence in<br>Book XX)                     |     | Copy of I.G. memorandum, dated 30 June 1938, addressed to defendant Krauch, starting with: "We comply with your wish and give you personally our impressions on the execution of the expansion program for poison gas and explosives in Germany."   | 75          |
| NI-4637<br>(already in<br>evidence in<br>Book V as<br>Exhibit 123)    |     | Strictly confidential letter of 14 July 1938 from Zentralkauf, Berlin, to Ludwig, Leverkusen, concerning the purchase of additional Teluol for the manufacture of explosives by the standby plant.  | 79          |
| NI-7380   |     | Original carbon copy of letter from I.G. signed by defendant Ambros to the OKH, re construction project Hucks, dated 18 May 1938, for diglycol and oxide.   | 81          |
| NI-7428<br>(already in<br>evidence in<br>Book VIII as<br>Exhibit 217) |     | Letter from Krauch's office to I.G. Ludwigshafen re diglycol plant, ethylene experiment plant, Sodingen, and D-Lost experiments, dated 26 August 1938   | 84          |
| NI-7430   |     | Copy of letter from I.G. re standby plant for production of glycol, acetic acid, etc., signed by the defendants ter Meer and Ambros, to the Office of German Raw and Synthetic Materials.   | 87          |

NI-6931  
NI-6170  
with Enake Sheet  
Report of the figures for 93  
by the Department of  
for Plant Material Supplies  
- 5 -  
NI-12740  
affidavit of Otto Heilmann

(page 1 of the original)

AFFIDAVIT OF WALTER JACOBI  
-----

Walter Jacobi, being duly sworn deposes and says: .

I reside at 360 Central Park West in New York City.  
Prior to 1935 I was associated with I.G. Farben in various positions to be referred to later.

I was born in Germany in 1888 and I was educated for the legal profession. I graduated from the University of Jena in 1909 with a degree of Doctor of Law. I served as an officer in the first World War, as a Lieutenant in the Field Artillery, and in 1918 I was ordered to the Kaiser Wilhelm Institute where I was the administrative military officer. At that institute I met Professor Haber who was appointed later in 1918 to the Ministry for Economic Demobilization, and in that capacity was charged with responsibility for demobilizing the chemical industry which had been built up during the war. I became associated with him in that work as his assistant. Within the problems of demobilization, we dealt with problems of reconversion of chemical plants to peace time needs. In the course of my work I met the principal representatives of the chemical industry in Germany among whom were Professor Bosch who was the head of the Badische, and Carl Duisburg who was head of Leverkusen, both of which companies later merged into the I.G. Farben.

In the course of my work I became familiar with the plants and facilities that were built during the war to produce synthetic nitrogen and later in 1919 I



(page 1 of the original, cont'd.)

became associated with the Badische in Berlin as assistant to Dr. Bueb member of the Vorstand who was at that time engaged in forming the nitrogen syndicate. In 1924 I became assistant director with Badische and continued in that capacity after the merger with I.G. Farben in 1926. In addition to acting as assistant director, I was at about that time assisting Dr. Bueb in the nitrogen syndicate which had been organized in 1919. Dr. Bueb was the I.G. Farben representative in the nitrogen

(page 2 of the original)

syndicate. About 1928 Dr. Oster succeeded Dr. Bueb as the I.G. representative in the syndicate when the latter retired. With the retirement of Dr. Bueb I became more active in the syndicate and about 1931 I, along with Dr. Oster represented IG on the syndicate. At the same time I also became a director of the syndicate.

Dr. Oster, as IG's representative in the syndicate looked after the domestic business of the syndicate whereas I on the other hand, looked after the international business. I continued in this capacity until 1935 when the political situation in Germany made it imperative that I sever my connections with I.G. Farben and I resigned from I.G. Farben at the end of 1935 and left Germany taking a position with the International Cartel in London, where I remained until 1939. In 1938 I became associated with Norsk Hydro where my duties related principally to the export business of nitrogen.

(page 2 of the original, cont'd.)

From my association with Professor Haber, Dr. Buob, I.G. Farben and the nitrogen business, I learned the story of the development of synthetic nitrogen and the role it played in the first World War and thereafter.

In 1908 Professor Haber had developed in the laboratory the process of making synthetic ammonia by combining nitrogen and hydrogen under high pressure in the presence of a catalyst. Thereafter he became associated with Dr. Bosch which association resulted in the development and improvement of the Haber-Bosch process culminating in 1913 in the first production of synthetic nitrogen on a commercial basis at the Badische plant at Oppau. Prior to this development, the main sources for nitrogen were Chilean nitrate, sulphate of ammonia as a by-product in the coke oven process and relatively small quantities of calcium cyanamide. In peace time nitrogen was mainly used as fertilizer. Nitrogen is however an indispensable ingredient in the manufacture of explosives.

(page 3 of the original)

When the first World War started in 1914, the principal source of nitrogen from which explosives could be produced was Chilean nitrate. The German government at that time had a stockpile of such Chilean nitrate sufficient only for a war of short duration. Late in 1915 the stockpile had become so low that the explosives and munition situation was in a critical state. As a soldier at the front at that time I distinctly recall that we were rationed in the ammunition that was allotted us. It was then that the German government made a concen-

(page 3 of the original cont'd.)

trated effort to secure synthetically made nitrogen in order to produce the necessary munitions. For that purpose the government constructed in 1916 the plant at Leuna. The existing plant of Badische at Oppau was expanded. The Leuna plant was owned by the government but operated by Badische. The main production of these plants was synthetic ammonia which was later converted to nitric acid, and formed the principal basis for the manufacture of explosives. With the production of synthetic ammonia and nitric acid being stepped up as a result of the new plant facilities, the crisis in munitions was solved by the I.G. It was generally recognized and acknowledged in Germany that had I.G. with its use of the Haber-Bosch process for the manufacture of synthetic nitrogen, not solved the problem of nitrogen production, the first World War would have ended about two years before for lack of explosives.

After the war the plants which had been built for war purposes presented a problem of reconversion for peace time needs. After negotiations with the German government Badische acquired from the government the Leuna plant and by financial arrangements reacquired control of the Oppau plant. Badische now used their synthetic ammonia facilities for the manufacture of synthetic sulphate of ammonia and of synthetic nitrates, that is for products which had never before been made synthetically.

(page 4 of the original)

Thus for the first time synthetic nitrogen appeared on the market as a fertilizer. After the war additional processes for making synthetic nitrogen were discovered, principally the Claude and Casale process which came in competition with the I.G. process. Many other countries built plants for the production of synthetic nitrogen on the Claude and Casale process. It was because of this new increased production of fertilizers arising from the new processes, that a general problem arose as to the manner in which production, prices, sales and other related matters in the fertilizer field should be dealt with. This is the background to the problem which was later solved by the formation of the Nitrogen Syndicate in Germany and later the International Nitrogen Cartel.

sign: Walter Jacobi  
-----

Sworn to before me this 5th day of July, 1947.

sign: Derry Houbau  
-----

Attorney, Office Chief Counsel  
For War Crimes  
AGO 229 649

" A CERTIFIED TRUE COPY "

- 5 -

X N D





TRANSLATION OF DOCUMENTS No. NI-9049  
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES

AFFIDAVIT

I, Dr. Hans WAGLER, Chemist in the I.G. Farbenindustrie A.G. from 1923-1945, member of the Vermittlungsstelle W, Berlin, No. 7, present address Stierstadt/Taunus, Untergasse 10, after having been warned that I shall be liable to punishment for making a false statement, herewith declare the following under oath of my own free will and without coercion:

1. For the procurement of nitrogen in Germany she depended, until 1913/14, on the import from Chile. From her own production only those nitrogen quantities were available to Germany which were obtained as by-products from coking and gas plants. This situation changed when the first I.G. plants were put into operation which made the production of synthetic nitrogen compounds possible by means of the Haber-Bosch process. In 1913/14 Germany produced 109 000 tons of nitrogen of which only 4 000 tons were produced by the former original I.G. organization. In 1923/24 the total German production was 472 000 tons of nitrogen, of which 238 000 tons were produced by the I.G. In 1937 the production share of the I.G. and its related plants amounted to 70% of the total German production.

Through the enormous increase of the German nitrogen production under the leadership of the I.G. Germany became self-sufficient in regard to nitrogen. This fact became evident in the agreement concluded in 1936 between the German-English-Norwegian group under the leadership of the Nitrogen-Syndicate and other European producer groups on the one hand and the Chilean producers, members of the Corporation de Ventas de Salitre y Yodo de Chile on the other hand. Through this agreement

( page 2 of original)

the Chilean export to Germany was limited to approx. 4,4% of the German consumption. Similar agreements which limited imports to quotas of about the same quantity, had already been concluded between the same partners during the previous years.

I have obtained the figures mentioned above from:

TRANSLATION OF DOCUMENTS No. NI-9049  
CONTINUED

( page 2 of original, cont'd)

a) the Statistics yearbook for the German Reich,  
b) the report of the Economics Division, Decartelization Branch, Control Office of I.G. Farbenindustrie, 15 June 1948 with the title "Activities of I.G. Farbenindustrie I.G." which was compiled by Dr. Kurt KRUDGER - in collaboration with other gentlemen - and the accuracy of which was sworn to by Herrn KRUDGER.

c) Table "I.G. share in percentages and its indirect shares in the total German production", which bears the Doc.No. NI-10009 and the accuracy of which was sworn to by Dr. Ernst A. Struss.

2. At the same time Germany, under the leadership of I.G., succeeded in ousting Chile, the most important nitrogen exporter, and in taking her place in the world market. In 1913/14 Chilean exports amounted to 430 000 tons. At that time Germany did not export nitrogen at all. In 1933/34 Chilean exports had decreased by 1/5, or in other words, to 83 000 tons, whilst German export had increased to approx. 145 000 tons. Since I.G. was responsible for approx. 70% of the total nitrogen production, it is evident that in 1933/34 the I.G.'s share in export was considerably higher than the total Chilean production.

During the following years I.G. production figures for nitrogen were considerably higher than Chilean production. While Chile produced a total of 139 000 tons in 1935/36, the production of I.G. and the plants controlled by it amounted to 325 000 tons. In 1938/39 the total Chilean production had increased to 221 000 tons. I.G. production,

(page 3 of original)

however, totalled 520 000 tons.

As source for these figures I have used the same documents as before, as well as the table "Production of I.G. and plants controlled by it" known as Document No. NI-10008 and sworn to by Dr. Ernst A. STRUSS.

( page 3 of original, cont'd)

3. I.G. became the largest nitrogen producer in the world. The Statistics Yearbook and the previously mentioned report of the Control Office give the following figures for nitrogen compounds( in 1000 tons pure nitrogen):

Production of nitrogen compounds in 1000 tons of pure nitrogen.

| Year:                  | 1926 | 1932 | 1938 |
|------------------------|------|------|------|
| I.G. production        | 537  | 245  | 476  |
| other parts of Germany | 115  | 207  | 342  |
| Chile                  | 420  | 70   | 221  |
| England                | 144  | 165  | 153  |
| U.S.A.                 | 130  | 163  | 274  |
| Japan                  | 29   | 111  | 347  |
| Russia                 | -    | 10   | 132  |
| France                 | 70   | 122  | 195  |

In this table only those countries are listed which produce more than 100 000 tons of pure nitrogen per year.

I have carefully read each of the 4(four) pages of this affidavit and countersigned it with my own hand, have made the necessary corrections in my own handwriting and initialled them, and I herewith declare under oath that

(page 4 of original)

I have stated the full truth in this affidavit to the best of my knowledge and belief.

Signature: Dr. Hans MEYER

TRANSLATION OF DOCUMENTS No. NI-9049

CONTINUED

( page 4 of original , cont'd )

Sworn to and signed before me this 23 rd day of July  
1947 at the Palace of Justice, Nurnberg, Germany,  
by Dr. Hans MEIER, known to me to the person making  
the above affidavit.

Signature: Otto MEIERHORN  
ETO 30140  
Office of Chief of Counsel  
for War Crimes  
US War Department.

CERTIFICATE OF TRANSLATION

Date: 16.8.1947

I, Brigitte TURK, Civ.No. 35130, hereby certify  
that I am thoroughly conversant with the  
English and German languages and that the above is  
a true and correct translation of the document No. NI-9049  
(a copy of doc.)

Brigitte TURK  
Civ.No. 35130



AFFIDAVIT

I, Dr. ERNST STRUSS, Director of I.G. Farben, Chief of TEA Bureau of I.G., Secretary of the Technical Committee of the Vorstand of I.G., Manager of Division II (Sparte II) of the Vermittlungsstelle W, and, since 1943, Production Manager of the entire German dyestuffs industry within the framework of the Economic Group Chemical Industry, after having first been warned that I will be liable for punishment for making a false statement, state herewith under oath, of my own free will and without coercion, the following:

I. Nitrate is the essential raw material for the production of gunpowder and ammunition. The basic element in nitrates production is nitrogen. I.G. Farben developed the Haber-Bosch process for the fixation of nitrogen from air. It thus made Germany self sufficient in nitrates. Farben became the largest nitrates producer in the world, and by exporting on a large scale displaced Chile, which up to then had been the main source for nitrate supplies on the world markets. It was Farben's unique position in the nitrate field which prompted the biggest German producer of gunpowder and ammunition, the Dynamit A.G. vormals Alfred Nobel in Troisdorf, to come to a community of interest agreement with I.G. Farben in 1926. Str.

I.G. Farben soon succeeded in dominating the Dynamit A.G. In the first place, the Dynamit A.G. (DAG) was dependent on I.G. for nitrates. Moreover, I.G. held over 50% of the voting rights in the DAG. Furthermore I.G. was represented in the Aufsichtsrat of DAG by Bosch, Duisburg, Gajowski and Schmitz. Finally, Director-General Dr. Paul Mueller of DAG was a member of the I.G.-TEA. All credit

applications of DAG were discussed in the I.G.-TEA which, with this exception was entirely composed of I.G. Farben men. This meant in fact that DAG required I.G.'s approval for any replacement or enlargement or new building or the purchase of a site or machinery. DAG was thus completely dependent on I.G. in the fields of finance and investments.

II. I.G. Farben also had a dominating position in the production of intermediates for explosives. I.G. Farben manufactured the following intermediates in its plants:

|                                 |                     |
|---------------------------------|---------------------|
| Synthetic Toluol                | Waldenburg          |
| Nitro and Binitrotoluol         | Leverkusen          |
|                                 | Griesheim           |
|                                 | Hoechst             |
| Binitrobenzene                  | Leverkusen          |
|                                 | Griesheim           |
|                                 | Hoechst             |
| Dinitrodiphenylamine            | Ludwigshafen        |
| Guanindinnitrate                | Leverkusen          |
| Aethylendieminnitrate           | Ludwigshafen        |
| Pentaerithrite                  | Ludwigshafen        |
| Preliminary product for Hexogen | Hoechst             |
| Hexamethylenetetramine          | Elberfeld           |
| Stabilizers                     | Verdingen           |
|                                 | Wolfen              |
|                                 | Auschwitz (planned) |

III.) According to my estimate, I.G. Farben and its subsidiaries, DAG and Wasag, manufactured 84% of Germany's explosives and 70% of Germany's gunpowder from its nitrogen and intermediates production.

I have carefully read each of the 3 pages of this declaration and have signed them personally. I have made the necessary corrections in my own handwriting and initialed them and I declare herewith under oath that I have given the pure truth to the best of my knowledge and conscience.

gez.: Dr. Ernst A. Struss.  
-----  
DR. ERNST STRUSS

Sworn to and signed before me this 3 day of June 1947 at  
Frankfurt/Main by Dr. ERNST STRUSS known to me to be  
the person making the above affidavit.

gez.: Otto Heilbrunn.

-----  
DR. OTTO HEILBRUNN  
Civilian, ETO 30140  
Office of chief of Counsel  
For War Crimes  
U. S. War Department

" A CERTIFIED TRUE COPY "

- 3 -

E N D

TRANSLATION OF EXCERPTS OF DOCUMENT NO. NI-4927  
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES

1)

Minutes

of the Meeting of the Commercial Committee  
on Friday, 20 August 1937 at 10 a.m.,  
in Berlin NW 7, Unter den Linden 82.

Attended by:

von Schnitzler  
Haeffli, er  
Ilgnor  
Kruoger  
Lann  
Muehlen  
Otto  
Reibel  
Weber-Andreao  
Frank-Pahle

Chairman

Recorder

1) Constitution and Basic Matters.

Dr. von SCHNITZLER gave an account of his conference with Geheimrat SCHLITZ and of his statements to Geheimrat BOSCH on the necessity of closer contact of the leading businessmen of the I.G., which led to the convening of today's meeting.

The following decisions were made:

a) The Commercial Committee will consist, in the future, of the following members:

von Schnitzler  
Fischer  
Haeffli, er  
Ilgnor  
Kruoger  
Lann  
Muehlen  
Oster  
Otto  
Reibel  
Weber-Andreao  
Frank-Pahle

Chairman

Recorder.



TRANSLATION OF EXCERPTS OF DOCUMENT No. NI-927  
CONTINUED

(page 2 of original)

Geheimrat BOSCH and Geheimrat SCHLITZ are always to be informed of the dates of meetings.

Dr. Paul MUELLER is to be invited to the meetings of the Commercial Committee as representative of the Explosives Group (Sprengstoffgruppe).

The commercial interests of the firm Kalle and Co. will be taken care of by Herr OTTO.

b) The Commercial Committee shall meet at least once a month, when possible on every first Friday of a month at 09:30 hours. The exact time of the next two meetings is to be decided in the previous meeting.

c) The compilation and the preparation of the agenda is the task of the Office of the Commercial Committee, which places the agenda before the participants after it has been approved by the Chairman and the members of the Commercial Committee.

2) Organization and field of activities of the I.G., Berlin NW 7.

a) Scheme of organization.

Dr. ILGNER reported on the field of activities of the I.G. organization in Berlin NW 7 and gave a brief account of how it came to be founded. As the work performed by the Berlin central offices consists mainly of centralized auxiliary functions in the field of business and economics generally, close cooperation with the individual sales companies and concern firms (Konzernfirmen) had already developed in the earlier years. As the present situation with regard to raw materials and foreign exchange made it necessary for increased attention to be paid to all these activities, it became essential to ensure still closer cooperation in future. In this connection all participants welcomed and accepted a proposal made by Dr. ILGNER to the effect that the Commercial Committee should in future share the responsibility for the general commercial and economic problems to be handled by the Berlin central offices.

TRANSLATION OF EXCERPTS OF DOCUMENT No. NI-4927  
CONTINUED

(page 3 of original)

The organization scheme which had been submitted was then discussed and approved by the Commercial Committee. In view of the fact that in many instances leading gentlemen of the I.G. did not appear to be familiar with all the details of the field of activities and organization of the Berlin central offices, it was decided that these data should be made available to the members of the Central Committee by Mr. von SCHNITZLER.

b) Essential facts from the report on Latin America.  
(Functions of the I.G. Verbindungsmannner).

Following a debate on the report on Latin America compiled by Dr. ILGNER a discussion arose regarding the duties of the I.G. Verbindungsmannner (hitherto called "Zefi-confidential agents" - Zefi-Vertrauensmannner), their deputies and assistants.

There was general agreement that, owing to the ever increasing tendency towards industrialization in the world, it is imperative for the I.G. foreign organizations to have in all the larger towns abroad such persons as Verbindungsmannner who, by virtue of the positions they hold and their knowledge of prevailing conditions could judge correctly the developments of their own country and give advice to the management at home accordingly. For that reason the Commercial Committee thinks it advisable that the former institution of the Zefi-confidential agents ("Zefi-Vertrauensmannner"), who were already very active in this direction, be given increased consideration in their extended capacity as "I.G. Verbindungsmannner".

c) New office building at Unter den Linden / Neue Wilhelmstrasse / Dorotheenstrasse.

After having been shown a model of the projected new office building, the members of the Commercial Committee considered the present accommodation of the Central Office in Berlin. It was generally agreed that the present accommodation in nine different, considerably scattered houses in no way met the requirements of this organization, and

TRANSLATION OF EXCERPTS OF DOCUMENT No. NI-4927  
CONTINUED

(page 3 of original, cont'd)

that the speedy construction of the new building was to be considered an urgent necessity.

(page 4 of original)

3) Promotion of export.

a) Letter to the Plenipotentiary for the realization of the Four Year Plan, Foreign Trade Branch (Geschaftsgruppe fuer Aussonhandel).

1) Schlot-  
terer  
positiv

Dr. ILGNER reports that the Plenipotentiary for the Four Year Plan, Foreign Trade Branch, has requested us to ascertain what additional measures can be taken, in view of existing conditions with regard to German foreign exchange, raw materials and food-stuffs, to achieve as soon as possible a further increase in our exports. The draft of a reply composed on the basis of data made available by the sales combines is approved. Dr. von SCHNITZLER emphasizes that it is necessary to point out to the authorities in a suitable form that, if I.G.'s international trade is to be maintained and expanded, capital investments abroad for which foreign exchange will have to be allocated to us, will be unavoidable in the future as well. It is agreed upon that it will not be necessary to mention this point expressly in our reply, as it is already stressed in the attached memorandum by Dr. ILGNER: "Promotion of export within the framework of the Four Year Plan".

b) Letter to the Plenipotentiary for Iron and Steel Control.

2)

In connection with the above-mentioned letter, the problem of securing iron supplies for the I.G. works was dealt with. The solution of this problem is essential if production is to be maintained and if, consequently, all our commitments are to be fulfilled. The petition drafted by the I.G., Berlin NW 7, in cooperation with Messrs. JAEHNE, STRUSS, LEISS and the Vermittlungsstelle W,

TRANSLATION OF EXCERPTS OF DOCUMENT No. NI-4927  
CONTINUED

(page 5 of original)

dated 18 August 1937 and addressed to the General Plenipotentiary for the German Iron Control was read to the assembly. In the ensuing discussion it was decided that this petition was to be attached to our reply dealing with the promotion of export.

4) The effects of rice reductions of trade-marked goods on export or on earnings in foreign exchange.

A detailed discussion was held on the difficulties arising in connection with price levels abroad for a part of the trade-marked goods manufactured by I.G. through reduction of home-market prices. It was agreed that in all cases where there was a danger of reduction in home-market prices leading to a similar reduction of price levels abroad and therefore to a reduction of incoming foreign exchange, application was to be made to the Commissioner for Prices, requesting that in such cases home-market prices be maintained at their former level. If necessary the appropriate authorities for export questions are to be requested to support our applications to the Commissioner for Prices in a suitable manner.

5) South-American problems.

Following a general report on the export-situation in South America and particularly on the activities of rival Konzerns, measures to be taken by the I.G. are being discussed. It is the general understanding that in order to be able to cope with the great activity of the Anglo-saxon Konzerns, reinforcements will be required throughout the whole of the foreign organizations. The individual items provided for by the agenda are adjourned till the next meeting.

6) Business with Red Spain.

The latest information received from the competent authorities was discussed. In this connection Dr. SCHMITZER reported on



TRANSLATION OF EXCERPTS OF DOCUMENT No. NI-4927  
CONTINUED

(page 6 of original)

the field of dyestuffs, Mr. MANN on pharmaceutical goods, Mr. OTTO on photographic items and rayons.

7) Situation in China.

a) General situation.

Mr. LAIBEL reports on the situation in China, stating in particular that the war insurance of the stocks in China had been recalled, with the term expiring at 24.00 hours, Central European time, 21 August 1937. Considering that international insurance companies may, in case of need, recall war insurances at short notice, the question of whether there is any object in taking out war insurances at all is being discussed in principle. The Central Financial Administration has been ordered to find out whether it is possible for insurance abroad to be undertaken internally, or whether some other arrangement can be made to cover the war risk abroad in such a way that a short-term withdrawal of the insurance-contracts can be avoided.

b) Exchange Guarantees.

Dr. Frank-Fahle reported on the position of the exchange guarantees. In view of the fact that the Dyestuffs and Chemicals Agency has succeeded in recovering almost all outstanding debts before they were due, the total outstanding debts of I.G. in China are fully secured, as are also stocks amounting to an estimated four months' sale. There is a possibility that as a result of the situation in China the current price contracts might not be fulfillable. Judging by previous experience in similar cases, an extension of these contracts on the part of the banks can be expected.

Dr. Frank-Fahle suggested that after detailed discussions between Herr LAIBEL and the Central Finance Department, an attempt should be made to safeguard a part of our outstanding debts in China and Japan by taking up credits in the local currencies. It was decided to follow up this question as soon as the situation in China and Japan allowed it.

TRANSLATION OF EXCERPTS OF DOCUMENT NO. HI-4927  
CONTINUED

(page 7 of original)

- 8) Uniform attention of the I.G. to be given to requests of U.S. Treasury agents.

Dr. von SCHNITZLER reports in detail on the experiences of the Dyestuff-Sparte on the occasion of visits by American Treasury agents, and on problems of American customs and dumping (Dumping-Problems). Subsequently Mr. KAHN reports on a recent visit of an American Treasury agent to Leverkusen, during which the question of general expenses was dealt with in particular. After a detailed discussion it was agreed that as long as there are no legal regulations in Germany which categorically prohibit the giving of information, it is inadvisable to decline in principle the requests of the Treasury agents. An attempt must rather be made to settle the matter amicably with the agent without informing him of any details of our business or of what our expenses are composed. Considering our present economic situation with regard to America, it is deemed inappropriate at the present time, to suggest to the German authorities that a general decree prohibiting information should be issued.

- 9) Mutual notification between the Sales Combines when terminating Agency agreements.

The firm Kalle informed us that in several cases in which individual Sales Combines had terminated their agency agreements with independent foreign agencies, they had only received notification of it at a considerably later date. Since Kalle and other Konzern-Companies very frequently placed their agencies with certain firms solely because the firms in question were already representing certain I.G. Sales Combines, it was necessary that all Konzern-Companies be notified of the termination of agency agreements, stating the reasons for it if possible, so as to enable the other companies to consider whether they wished to terminate their agency agreements as well. The office of the Commercial Committee is to be commissioned to draw up lists, showing which foreign I.G. agencies are simultaneously employed by Konzern Companies as well as other German or foreign firms. These lists are to be currently corrected and brought up to date. They, as well as the corrections, are to be submitted to the Sales Combines.

TRANSLATION OF EXCERPTS OF DOCUMENT No. NI-4927  
CONTINUED

(page 8 of original)

It was decided that the next two meetings of the Commercial Committee will take place on Friday, 10 September 1937, at 09:30 hours and on Thursday, 7 October 1937 at 09:30 hours, in Berlin NW 7, Unter den Linden 82.

Berlin NW 7, 25 August 1937

(signed) v. SCHNITZLER

(signed) FRANK-PAHLE

F.F./E.A. 1/37

CERTIFICATE OF TRANSLATION

14 August 1947

I, Arthur C. LACNAMARA, ETO 20191, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of the document No. NI-4927.

Arthur C. LACNAMARA,  
ETO 20191

Affidavit.

I, Paul Heinrich Doncker, residing at Krenberg in Taurus, Guaita-  
strasse 16, Titular Director of I.G., Frankfurt on Main since 1927,  
and Chief Manager of the Central Accounting Department since 1931,  
having been duly warned that I shall render myself liable to punishment  
for making false statements, and that withholding facts is equivalent  
to perjury, herewith depose the following under oath and of my own  
free will and without coercion.

About 1941 in legal proceedings taken by Dynamit-Nobel A.G. previously  
named Alfred Nobel, acting as plaintiff, and at their request the Reich  
Finance Court, the supreme German court for financial matters, decided  
that Dynamit-Nobel A.G. (DAG) was dependent on I.G. as regards finan-  
ces, economy, and organization.

1. In 1926 I.G.-Farben concluded an Interessengemeinschaft agreement  
with DAG. As a result of this Interessengemeinschaft agreement, DAG  
needed I.G.'s approval on all decisions going beyond ordinary business  
transactions.

I.G. owned all preferential shares and approximately 45% of the  
original shares. I.G. commanded the majority vote in the general meeting  
of DAG. In the various years I.G. was represented in the Aufsichtsrat  
of DAG by Bosch, Flochtheim, Gajowski, and Schmitz. From 1938 until  
1945 Schmitz was chairman of the Aufsichtsrat and for a number of years  
before that, he was deputy chairman of the Aufsichtsrat as far as  
I remember.

(page 2 of original)

2. DAG's financial dependence is shown by the following:  
I.G. commanded the majority vote in the general meeting. Beyond that, as  
a result of the Interessengemeinschaft agreement, I.G. had to approve  
all annual balance sheets. Finally by virtue of the clauses in the  
Interessengemeinschaft agreement, DAG could not increase its capital  
without I.G.'s approval.

3. DAG was economically dependent on I.G. to the following extent:  
I.G. was DAG's main supplier of nitric acid, ammonium nitrate and  
preliminary products for the production of plastics. I.G. predominated  
the market in all these lines. Thus, the prices of these products  
were more or less dictated by I.G.. I remember that Director-General  
Dr. Mueller of DAG repeatedly complained about the fixing of prices  
by I.G..

I know of one case in which the Central Committee interfered in DAG's  
business; in about 1932 the Central Committee instructed me and Director  
Mueller, to examine the plastics business of DAG. Had any differences  
of opinion arisen out of the results of this examination, the final  
decision would have rested with the Aufsichtsrat of DAG.

Dr. Paul Mueller, Director-General of DAG, was a member of the  
Technical Committee (TEK) of I.G.. The TEK had to decide on all credit  
applications, both for new equipment as well as for replacements. As  
all the other people in the TEK were members of I.G., it stands to  
reason that as regards intended investments, DAG could be outvoted.



TRANSLATION OF DOCUMENT No. NI-7239  
CONTINUED

(page 3 of original)

4. Organizationally D&G was incorporated in the I.G. through being grouped in Sparte III, i.e., just as if it had been an I.G. plant. Dr. Gajewski in his capacity as the head of Sparte III, had the right and duty towards the I.G. Vorstand to watch the technical development of D&G and for this purpose could order investigations to be carried out at the D&G.

5. I.G. also exercised its influence on D&G as regards personnel. Before changing over to D&G, Dr. Pungs, deputy member of the D&G Vorstand, had been working in the I.G. plant at Ludwigshafen as a chemist. Further, Dipl. Ing. Schindler was sent from Wolfen to the D&G by I.G. where he was appointed Chief Engineer.

I have carefully read each of these three pages of this affidavit and counter-signed them with my own hand, I have made the necessary corrections in my own hand-writing and initialled them with the first letters of my name, and I herewith declare under oath that to the best of my knowledge and belief I have told the pure truth in this affidavit.

Signature: Paul Dencker

Sworn to and signed before me this 7th day of June 1947 at Muenberg by Paul Heinrich Dencker, known to me to be the person making the above affidavit.

Otto Heilbrunn  
Dr. Otto Heilbrunn  
Civilian AGO No. 30140  
Office of the Chief of Counsel  
for War Crimes

CERTIFICATE OF TRANSLATION

22 July 1947

I, ARTHUR MACNAMARA, No. 20191, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of the document No. NI-7239.

ARTHUR MACNAMARA, No. 20191.

Relationship between "Dynamit - Nobel Aktiengesellschaft "

-----  
("Nobel") and I.G. Farbenindustrie Aktiengesellschaft "

-----  
("I.G.").  
-----

- 1.) During the first world-war two companies existed in Germany  
"Nobel", fabricating mainly explosives and "Kooln - Rottweil",  
fabricating mainly gunpowder. Both had joined in a profit  
pooling agreement. According to the disarmament clauses of  
Versailles (1919), the plants of both companies were destroyed  
to a large extent (except, as far as I know, some parts for  
production of explosives for mining purposes gunpowder for  
sporting munition.) Both companies took up the manufacture  
of artificial fibre. In the years 1919 - 1925 they had finan-  
cially very hard times and, being well acquainted with J. G.,  
which in earlier times had met their requirements of nitro-  
genous products, made about 1926 an arrangement with I. G. along  
the following lines.
- 2.) "Kooln-Rottweil" sold that was left of its gunpowder plants to  
"Nobel", so that afterwards "Kooln-Rottweil" had only plants  
to "Nobel", so that afterwards "Kooln-Rottweil" had only plants  
on the field of artificial fibre. I.G. took over by merger  
"Kooln-Rottweil" and made a long timed contract of community  
of interest with "Nobel."  
Under this contract the board of "Nobel" had to run its busi-  
ness according to the law and its charter under its own res-  
ponsibility, but had to follow the directions of J.G. in im-  
portant matters. (I do not quite remember the wording.)

Furtheron Nobel had to pay to J.G. its entire profits shown by a balance sheet made up with certain rates of depreciation;

"Nobel" received from J.G. in return such amount of cash, that

"Nobel" was always in the position to pay its share holders a certain percentage (60% ?) of the dividend J.G. paid to its share holders.

3.) At the time of the last world-war the members of the "Vorstand" of "Nobel" were Paul Mueller (president of the "Vorstand", died in 1945), Schmidt and Pungs. Members of the "Aufsichtsrat" of "Nobel" were from J.G. Schmitz (as president of the "Aufsichtsrat") and Gajewski. Mueller, who was brother-in-law of Schmitz (their wives were sisters) was member of the "Aufsichtsrat" of J.G.

I learned in the Krausberg camp from some of my associates, that there was in existence a gentlemen agreement made between the late Dr. Bosch and Schmitz on one part and Mueller on the other part, that as long as Mueller was president of the "Vorstand" of "Nobel", he should be in spite of the fundamental contract in effect independent.

4.) Mueller attended the meetings of the "Technische Ausschuss - TEA" and "Kaufmannische Ausschuss - KA" and if Nobel had to invest money, "Nobel" had to ask like every J.G. plant for approval of "TEA"; in the war-time, however, as for Meor and Gajewski told me in the Krausberg camp, this was only true in so far, as the money to be spent by "Nobel" was not connected with the armament. With regard to money for armament purposes, the "TEA" would not be informed, since "Nobel" had to keep secret these expenditures ? (on original: espenditured) under

ordre of the government.

5.) As far as I know J.G. holds about 45% of the capital of "Nobel".

Munich, 16.12.46.

To the best of my knowledge, but without having access to my files.

*A. R. ...*

"A CERTIFIED TRUE COPY"



No. 1078

30 April 1940

P

Herrn  
Direktor Walther LUDWIGS,  
I.G. Farbenindustrie Aktiengesellschaft,  
Verkaufsgemeinschaft Chemikalien (Sales Combine Chemicals),

Frankfurt/Main 20

Your Ref.: Dept. L Ga/Scha.

Dear Mr. Ludwigs,

Troisdorf had asked for information on the quantities of acetylcellulose delivered to Speyer by IG for manufacture of Ecarit. Frankfurt stated in their reply dated 17 April that they were opposed on principle to giving the desired information regarding total turn over of Ecarit.

Since the DAG is to all intents and purposes a branch of the I.G., I cannot see any reason why there should be objections to supplying the desired figures. It is unfortunate enough that Speyer of all people, a firm which had never in the past worked with acetylcellulose, should have no difficulty at all in procuring it at a time when the I.G. are unable to supply the quantities of acetylcellulose we require. Speyer are in fact getting their supplies at our expense. You will remember what efforts I made some time ago to incorporate Speyer in a sales combine (Verkaufsgesellschaft) along with all other celluloid manufacturers. You will also remember Speyer's somewhat peculiar behaviour on that occasion. Why then should I.G. give preference to such firms over members of its own organization. You also know that I was never inwardly satisfied with what was done in the question about camphor. Wherever Speyer entered the picture he also managed to obtain an advantage for himself. We had to pay RM 1.80 for home produced camphor while SPEYER paid only RM 1.75. The refund made to us on the camphor processed for export cannot be taken into account because we suffered considerable

(Page 2 of original)

losses in the export business and since Speyer, so to speak, kept aloof from all exports, we even had to burden our domestic business with the export losses. In any case, we paid for the inland RM 1.80 and Speyer RM 1.75.

I should be obliged, Mr. Ludwigs, if you could let me have your views on the foregoing. If you should not feel happy about communicating the figures officially to my firm, they might perhaps be communicated to me personally in my capacity as a member of the Aufsichtsrat of I.G.

With best regards,

I am, Yours sincerely

(signed) Dr. P. MUELLER

CERTIFICATE OF TRANSLATION

I, HERTHA C. KNUTH, AGO No. X-046355, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of Document No. HL-6345

HERTHA C. KNUTH,  
U. S. Civilian,  
AGO No. X-046355

( E N D )

- 2 -

27

TRANSLATION OF DOCUMENT No. NI-5762  
OFFICE OF CHIEF OF COUNSEL FOR  
WAR CRIMES

I.G.FARBENINDUSTRIE AKTIENGESellschaft  
Board of Directors

Bitterfeld, 28 August 1935

(rubber stamp:)

Secretariat  
Ministerial Councillor  
Retired Dr. BUHL  
Received 29 August 1935  
Answered

Ministerial Councillor Retired Dr. BUHL  
I.G.Farbenindustrie Aktiengesellschaft

Frankfurt /M.20.

Dear Dr. BUHL,

Following up my letter of the 26th instant I am  
enclosing herewith the minutes of the conference with  
Dr. ZAHN on 23 August, for your information.

With German Salute

Yours very faithfully,

(Signature:) Dr. PISCHKE

-Enclosure-  
Registered letter

TRANSLATION OF DOCUMENT No. NI-5762  
CONTINUED

Conference with Ministerial Councillor Dr. ZAHN in Berlin on  
23 August 1935.

Members of the I.G. present: Dr. PISTOR  
Dr. MAY  
Dr. VIRCK.

1.) Diglykol. Dr. ZAHN informs us that the agreement concerning the erection of the plant at Wolfen has been approved in principle. One could now begin to place orders. We would receive a preliminary notice to that effect. Dr. ZAHN approves our point of view, that the Diglykol plant should become the property of the I.G.

As it does not yet appear to be quite clear what grade of purity the Wasag require with respect to Diglykol, Dr. ZAHN will call a meeting with the Wasag, Ia and Wo.

2.) Stabilisators. Dr. ZAHN informs us of a plan to erect a reserve installation for stabilisators of the same size as the one at "Ue" in Central Germany. As it is to be merely a reserve installation to be used in the case of war (in A-Fall), and as one must count on the stabilisators being used within a short time, no installations for distillation should be provided. The plant, which is to be erected at Wo, should be expandable to double its size. He estimates the cost at approximately two million. The requirements in the case of war are estimated at about four times the capacity of "Ue", namely at

|         |                    |                                |
|---------|--------------------|--------------------------------|
| approx. | 264 tons per month | Ethyl-Phenylurethane           |
|         | 116 " "            | Diphenylurethane               |
|         | 49 " "             | Centralit I                    |
|         | 15 " "             | Diphenylamine                  |
| further | 23 " "             | unsymmetrical<br>Diphenylurea. |

(page 2 of original)

Oils required for the following years should be stored. It is planned to erect plants for the production of Aniline and alkylised Anilines later.

3.) Acetophenon. Dr. MAY explains processes of production which have been considered:

a) Reaction of Acetyl Chloride on Benzol in the presence of Aluminium Chloride (Friedel-Crafts-Synthesis).

The Friedel-Craft process is already being put into technical practice at Ia. For the production of Acetyl Chloride Dr. MAY suggests the Phosgene process used at Knapesack instead of the  $\text{PCl}_5$  process, previously envisaged, which presents difficulties with regard to apparatus.

The question of procurement of Acetic Acid has not yet been clarified and is being examined by Dr. ZAHN. Dr. ZAHN will also investigate whether the amount of approximately 50 tons per month Al-Metal, required for the production of  $\text{AlCl}_3$ , in accordance with the Griesheim process, will be released for this purpose.



(page 2 of original cont'd)

- b) Condensation of Benzoic Acid with Acetic Acid in the presence of a Manganese-Carbonate catalysator.

This process has not yet been tested in technical practice; so far it has only been used on a small scale (6 kilogram daily). One cannot, without further ado, erect a plant producing 4 tons per day on this basis.

Naphtaline or Toluol are not available for the manufacture of Benzoic Acid. For this reason the laboratories have worked out a process of producing Benzyl Chloride, by combining Benzol with Formaldehyde in a hydrochloric acid current. From the Benzyl Chloride

(page 3 of original)

Benzoic Acid is to be produced by further chlorination and saponification, which will, however, come much more expensive. This stage also has not yet been developed on a technical scale, so that this entire method seems hardly suitable.

Nevertheless, Dr. ZAHN will examine whether Formaldehyde would be released for this purpose. The question of procuring Acetic Acid for this process will have to be settled as well.

4.) Hexogene. Dr. MAY reported on the large consumption of Hexamethyl Entetramine for the manufacture of high explosives in Japan. Hexamethyl-entetramine produced from Ammonia and Formaldehyde.

Dr. ZAHN informed us that the Dynamit A.G. at Rottweil is working on the production of Hexogene (Trinitro-Hexamethyl-Entetramine).

Wolfen, 26 August 1935.

CERTIFICATE OF TRANSLATION

I, Julia KERR, No. 20185, hereby certify that I am thoroughly conversant with the English and German languages, and that the above is a true and correct translation of document No. NI-5762.

Julia KERR  
No. 20185.

TRANSLATION OF DOCUMENT No NI-5761  
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES

STRICTLY CONFIDENTIAL!

Memorandum

Discussion with Ministerialrat Dr. ZAHN in Berlin  
on 19 September 1935 concerning Diglycol.

Dr. ZAHN reported that unfortunately the agreement on Diglycol could not be concluded as outlined in Dr. BUHL's draft, which had been in the hands of the Army Ordnance Office (Heereswaffenamt) for some time. He intends to deal with the matter on the same basis on which he concluded an agreement with AUER i.e. either we sell the ground and the State would erect buildings and installations at its own expense - which in our case would be out of the question - or we make only the ground available and the State would erect the buildings and installations which would remain the property of the State, but that we should be entrusted with the administration and works management. To this I remarked that in that case the State should also bind itself not to use the plant for other purposes than those specified and above all not to use it to compete with us.

Dr. Z. continued that in case the State, after a duration of the agreement of 15 to 20 years, should give notice of its desire to terminate the agreement, the plant would become our property, but in the case of notice being given by us we should have to compensate the State for the value of the plant at the date of termination.

Dr. Z. intended to have an agreement drafted and to submit it to us. However, he accepted a proposal of mine that Dr. BUHL should see Dr. Z. and submit our proposals for such an agreement, when he was next in Berlin, probably in the week from 23 to 28 September 1935 -. Dr. Z., however, will be in Berlin only on 23, 24 and 25 September. This procedure is more expedient in view of the fact that this agreement should serve as pattern for agreements on other plants.

(page 2 of original)

e.g. for the stabilizer-plant. (Dr. TER MEER with whom I spoke about this matter also emphasized that naturally the State should not be given any power to become our competitor with the help of equipment like the stabilizer-plant which comprises quite a number of products such as aniline and others.)

Dr. Z. also added that the firm in question would have the right to use the equipment for its own purposes and in the case of AUER the agreement provides that a share of the profits derived from the utilisation of such equipment is to be paid to the State, according to the agreement which is to be made in every individual case. In this way the State would participate in the profits.

We are in agreement with Dr. Z. that we, in collaboration with Ludwigshafen on the one hand and the Wessag (Westphalisch-Anhaltische Sprengstoff A.G.) on the other, should carry through the research work planned in connection with Diglycol and that only after everything has thus been clarified, should we start building. I suggested that we should confirm this to Dr. Z. as per enclosure and he agreed.

We agreed that meanwhile the negotiations regarding the agreement itself are to be continued and Dr. Z. would also prefer an examination of our rough estimate of costs to be made by the Technical

TRANSLATION OF DOCUMENT No NI-5761  
CONTINUED

(page 2 of original cont'd)

Department of the Army Ordnance Office (Heereswaffenamt) in the meantime. He will inform us when the technical experts are available for a discussion of the different items of the estimate.

I then informed Dr. Z. that difficulties are still being experienced in connection with the Omega product, the yield being much lower than previously anticipated, i.e. approximately 56 %, and that consequently, if the product is to be made in the process of manufacture

(page 3 of original)

contemplated, before viz:- acetic acid and phosgene = acetylic chloride, acetylic chloride and benzol containing chloride of aluminium = acetophenone and chlorine (with the Kali-Chemie) = Omega product, and we were to supply the quantity desired by him, we would not be able to manage with the quantity on account of the smaller yield. I told him that I could confidentially inform him as a colleague and not as a ministerial councillor that for this reason we are testing yet another process in which we would use chloric acetic acid as the basic material instead of acetic acid and proceed in the manner described above, thus obtaining the Omega product, directly and in satisfactory quantities. In this case, however we should have to disregard our former misgivings concerning the production of the Omega product in our plants which to my belief the I.G. would not be willing to undertake. At the moment we were still studying this matter and could then perhaps also supply chloric acetylic chloride.- Dr. Z. asked for the intended place of production of chloric acetic acid and when I named Gersthofen he said he did not believe that H.W.A. (the Army Ordnance Office) would give its consent to this.

(I also discussed this matter with Dr. TER MEER who said that he had thought of having the complete manufacturing process performed at Gersthofen but that he is still in doubt as to whether for this small plant the misgivings of the I.G. could be disregarded. In the conference with Dr. TER MEER this point could not be settled definitely and it is possible that Dr. TER MEER will discuss it himself with Dr. Z. whom he is going to meet within the next few days.)

Note for WOLFEN: In any case I would ask that the question be investigated further and that a possible means be found to overcome the extreme difficulties as regards the production site. I believe that Dr. Z. would prefer the production to take place at Wolfen.

(page 4 of original)

Dr. Z. furthermore remarked that he was surprised to hear that the yield should be so poor, since Ludwigshafen had quoted him quite a reasonable price for chloric acetophenone. He would not deny though that at an earlier date RIEDEL had incidentally also informed him that the yield of the Omega products was very low. RIEDEL had, by the way, completed his delivery of 50 tons now, whilst we had delivered only 20-30 tons. The quality of our product had improved, but it was not yet equal to that of RIEDEL.

Furthermore Dr. Z. told me that as my colleague he had to admit that I was right and that the I.G. should rather not undertake the making of the Omega product or any similar kinds.

TRANSLATION OF DOCUMENT No NI-5761  
CONTINUED

(page 4 of original cont'd)

I have not talked to Dr. Z. with regard to the stabilizers, since Dr. TREER will be having discussions on this matter with Dr. Z. and Dr. LAUX in the course of the next few days.

signed: G. PISTOR

Bitterfold, 20 September 1935

CERTIFICATE OF TRANSLATION

June 8, 1947

I, Annette Wallech, 20101, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of the document No. NI-5761.

Annette Wallech  
No. 20101

"B.D"

- 3 -



2nd Copy

Contract

between

the German Reich ( Reich Treasury-Army )  
represented by the Army High Command,  
hereinafter called "OKH",

and

the I.G. Farbenindustrie Aktiengesellschaft,  
Frankfurt a. Main, represented by its Vorstand,  
hereinafter called "Firm".

Preamble.

In 1935 the Firm, on its own initiative, conducted experiments in its Hoechst laboratories which led to the discovery that hexogen can be obtained by nitration of methylenedisulfonic acids; consequently, the Firm registered patents under the following numbers :

|                       |        |
|-----------------------|--------|
| J 52 746 IV a / XII P | Secret |
| J 57 989 IV b / XII   | "      |
| J 57 990 IV b / XII   | "      |
| J 57 010 IV b / XII   | "      |
| J 57 176 IV a / XII P | "      |

The Firm informed the OKH immediately of the results of this work, and until 1938, in agreement with, and in the interests of, the OKH as well as together with the specialists of the OKH and the Reich Institute of Chemistry ( CTR ), the Firm, in its Hoechst plant as well as in an experimental plant in Hanau, tested the processes discovered by it for the industrial production of methylenedisulfonic acids, for the nitration of these salts, as well as for the cultivation of the waste acids of nitration, thereby gaining the requisite experience for the construction of the S-Salt plant now in operation in Hoechst and the corresponding W-Salt plant in the Kruemel works of the Dynamit A.G., formerly A. Nobel & Co., at Troisdorf.

In the course of this development the Firm incurred expenses amounting to RM 500,648.- This amount was checked and found to be correct on the

( page 2 of original )

25/26.10.1940 through a local audit by the Military Economy and Armaments Office, Auditing Office Army Ia, of the Supreme Command of the Wehrmacht. The OKH will refund this amount, under consideration of the following stipulations :

( page 2 of original, cont'd )

Article 1

The Firm shall authorize the OKH to use, or to let its contractors use, without restrictions and free of charge for an unlimited time, at home or abroad, for purposes of the German Wehrmacht, all results of the development mentioned in the Preamble, including all production blueprints and including all patent rights pertaining to results of the development which were acquired or are still to be acquired by the Firm. This includes the right of duplicating production blueprints and passing them on to other contractors.

Furthermore, the Firm shall inform the OKH of any subsequent improvements in the process and of its experience gained in their application, including any patent rights, and shall pass them on free of charge to the OKH, for use in its own or in third plants for purposes of the German Wehrmacht.

In turn the OKH, when concluding supplementary production contracts, shall enjoin its contractors to pass on to the OKH and to the Firm free of charge and for the duration of the supplementary production, their experiences gained in the application of the process and the improvements obtained, including any patent rights, for the manufacture of S-Salt and W-Salt.

In the industrial application of this development, the OKH shall give preference to the Firm or to one of the Companies belonging to the Konzern of the Firm, provided suitable prices and punctual delivery are ensured and there are no objections for reasons of national defense.

Article 2

The Firm shall be free to use the results of development and the patent rights connected with them ( Article 1 ) at home and abroad for an unlimited time for purposes other than those of the German Wehrmacht, provided they do not affect matters which are to be kept secret in the

( page 3 of original )

interests of national defense. The Firm shall ascertain as to whether an obligation to secrecy exists.

Final decision on this matter rests entirely with the OKH.

( page 3 of original, cont'd )

While the OKH uses S-Salt or W-Salt abroad for purposes of the Wehrmacht, the Firm shall be entitled to suitable reimbursement; the OKH shall in every instance submit estimates for reimbursement to the Firm.

This shall not apply to deliveries to one of its allies during the war.

#### Article 3

The OKH shall enjoin its contractors to secrecy, as well as engaging them to use all information and experience concerning the process solely for purposes of the German Wehrmacht.

#### Article 4

Costs of development, which were found to amount to RM 500,648.- shall be borne by the OKH and reimbursed to the Firm at the conclusion of this contract.

#### Article 5

The Firm shall concede the right of examination, according to Par. 45 c) of the Reich Budget Regulations, to the representatives of the OKH and the Reich Finance Office, for the purpose of supervising the execution of this contract.

#### Article 6

The Firm shall undertake to preserve the secrecy of this contract and of the correspondence dealing with its drafting and execution, as well as all documents, drafts and files pertaining to it.

The matters to be kept secret may be made known only partially and only to the absolutely required extent to those persons who are needed, directly or indirectly, for the administration and completion of this contract. These persons shall be sworn to secrecy and it shall be pointed out to them that violation of the regulations pertaining to secrecy is punishable according to Articles 88 to 93 a) and 353b) and c), Reich Penal Code, in the versions of 4.4.1934, 2.7.1936, and 16.9.1939.

( page 4 of original )

Article 7

The Berlin District Court shall be competent for any disputes arising from this contract, regardless of the value of the disputed matter.

Immediately upon the beginning of the dispute the parties shall make an application for the exclusion of the public and for swearing all participants in the proceedings to secrecy, according to paragraphs 172, 174 of the law of court procedure. ( GWG ).

Article 8

The contract is drawn up in triplicate. The OKH shall receive two copies and the Firm one copy.

Berlin, the 1 June 1942  
Army High Command  
as represented by

Signature : Leeb  
General of Artillery and  
Chief of the Army Ordnance  
Office

Frankfurt a.M., 8 May 1942  
I.G. FARBEINDUSTRIE AKTIENGESELLSCHAFT

Signature :                      Signature :  
Kraus                              pp.

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CERTIFICATE OF TRANSLATION

10 June 1947

I, Arthur MACNAMARA, Civ.No. 20 191, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of the document No. NI-6144.

Arthur MACNAMARA  
Civ.No. 20 191.

37



TRANSLATION OF DOCUMENT No. NI-6498  
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES

Dr. Paul Mueller  
No. 4000

MS.: Directorate File T  
13 December 1935  
Illegible Initials

Truidorf, 9 December 1935

Strictly confidential.

To Director Dr. Kraenzlein  
Frankfurt/Main - Hoechst

Dear Dr. Kraenzlein,

I thank you very much for your kind letter of 6th inst. I cannot tell you how glad I am to observe the most gratifying results of the closer collaboration in the sphere of high explosives upon which we embarked some time ago. I do not want to miss the opportunity to inform you of a paragraph in a letter from the Commander-in-Chief of the Army, signed "by order" by LtCol. von Horstig which reads:

"Section No. 1 of the Production and Examination Department of Army Ordnance Office congratulates D.A.G. on having been enabled... by close collaboration with I.G. and Wa Prw. (Army Ordnance Office, Production and Examination Departments) - to produce the modern high explosives Trinitrobenzene and Hexogene and to develop them further in the interests of the defense of Germany..."

I congratulate you also on the new process for the production of synthetic Glycerine. I await with truly impatient interest the results of the experiments now under way. I could very well believe that the Glycerine mixture in its present form yields a faultless Nitration product with exceptional characteristics. Furthermore, I could imagine that the properties of the Nitration mixture are especially advantageous for certain purposes, e.g. for gunpowder. The question of stability and of the nitration of the individual substances will proceed in mixture is, of course, important. Here, only the results of practical experiments can be decisive.

Stamp:  
In: 13 December 1935

(page 2 of original)

I am very glad that the Hexogene Nitration process, so successfully developed by Drs. Wolfram and Schmurr, is to be demonstrated on the 17th inst. and that you, too, will be in Berlin. I should be particularly glad, of course, if we could meet again there and take the opportunity to discuss the other questions which you mention in your letter.

As to cartridge cases, I personally do not think that the idea of manufacturing them on a base of gunpowder will lead to practical results of any importance. The cartridge cases themselves are subjected to extraordinarily rough treatment during transportation. They must therefore have a certain wall thickness which will result in their very incomplete combustion. They will be ejected still burning when the breech is opened after the shot has been fired. In many cases it is necessary to fasten the shells firmly to the cartridge case in order to produce a single-unit

28

TRANSLATION OF DOCUMENT No. NI-6498  
CONTINUED

(page 2 of original cont'd)

cartridge. In this, the tensile force will be a deciding factor. For my part I do not therefore intend to examine the idea more closely unless clear proposals are made which are capable of dispelling the doubts stated here.

With kind regards

yours very faithfully,  
signed: Mueller.

CERTIFICATE OF TRANSLATION

26 June 1947

I, BERYL C. BESWICK, No. D 427459, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of document No. NI6498.

Beryl C. BESWICK, No. D 427459.

I.G. FARBENWIRTSCHAFT AKTIENGESELLSCHAFT  
Dittorf

CONFIDENTIAL

File Note on a conference with Ministerialrat Dr. Zehn, on 13 November 1935.

1. I called on Dr. Zehn to show him by means of a map of the district WOLFEN the site recently chosen by us for the new production of calcium sulphuric acid and to ask him whether he had any objections to our choice. In fact, none. Dr. Zehn only inquired whether the plant for manufacturing nitrogen located in the vicinity did not trouble us.

On this occasion I asked Dr. Zehn whether any interest existed in our establishing a second calcium sulphuric acid plant besides the first. Dr. Zehn replied that in future the Reich would probably have more than 10 factories were erected on strategic territory. For that reason a contract such as was for instance made with us for diglycol was out of the question. Furthermore, Dr. Zehn told me that in his opinion two more plants for the manufacture of calcium sulphuric acid would be needed as emergency plants (Ersatzschmelzungen), the location of which, however, was not fixed yet.

2. Dr. Zehn told me that he himself had unfortunately overlooked confirming the arbitration contract together with the frame contract for diglycol. To his regret, he had intended to do this and asked that we should soon let an arbitration contract to him that he may sign the frame contract and the latter may be ratified.

As to the production facilities for diglycol, Dr. Zehn referred to the fact that at Ludwigshafen up to 350 tons could be produced weekly, a quantity which he thought would not yet be needed in practice, because each powder had not been tested for a possible use in practice.

(Page 2 of original)

3. Dr. Zehn is of the opinion that in the near future, we shall have to increase our phosphorus production to a capacity of 500 tons and that upon the building of the strategic war plant some new steps for decision to be taken. In this connection he drew my attention to the fact that we should inform him if we wanted our assistance in the procurement of raw materials (especially iron) particularly non-rationed raw materials for the plants now under construction e.g. stabilizers (applications concerning the supply of rational raw materials, especially substitute metals, would be submitted to him in any case and would be recommended). He will then give us a permit to the effect that the non-rationed raw materials wanted by us are needed for direct orders of the Reich Government, a permit which will help speeding up the supply considerably.

4. I told Dr. Zehn that Dr. WITTMER had not called on us up to now on account of perchlorine and that therefore, we could not submit proposals yet.

5. Dr. Zehn, as he told me, had had a longer talk with Dr. WITTMER before his meeting with me. On the basis of that discussion, Dr. Zehn asked me whether we used chlorine for our magnesium. He had learned from Dr. WITTMER that chlorine was not necessary in a certain process. I replied thereupon I could imagine that that process started from calcium (intermediate) whereas we worked with magnesium. Dr. Zehn's inquiry can be traced back to the fact that they had conferred about the chlorine situation with Dr. WITTMER and evidently felt apprehension that there was not sufficient chlorine in the "A-Case" (in A-File).

(signed) A. FISCHER

Ministerialrat Dr. BUHL  
Dr. SCHOENER/Dr. VIRCK/O.I. MUELLER  
Dr. BUEGIN/Director v.d.Bey (for information and return)

Bitterfeld, 14 November 1936

CERTIFICATE OF TRANSLATION

I, DOROTHEA L. GALEWSKI, M.P. No. 34079, hereby certify that I am thoroughly conversant with the English and German languages; and that the above is a true and correct translation of Document No. HI-4490

DOROTHEA L. GALEWSKI  
U.K. Civilian  
M.P. No. 34079

( B H D )



F i l e - N o t e

about Ministerialrat Dr. ZAHN's visit to Wo (Wolfen) and Bitt (Bitterfeld  
on 17 December 1936:

Persons present from Wo (Wolfen): Dr. PISTER (Part of the time)  
Dr. SCHOEMER  
Chief Engineer MUELLER  
Dr. VIRCK.

- 1.) Dr. ZAHN stated that the lack of glycerine made it urgently necessary for the Wolfen diglycol plant to start operations on 1 March, as had been agreed upon with Dr. Wittwer. To this end a lease contract would have to be concluded beforehand, and Dr. BUHL shall be requested to make a draft for it. Dr. PISTER pointed out that the question of starting operations had already been settled in the main agreement.
- 2.) The cover agreement has been signed and will be sent to us within the next few days after having been stamped. The contract for power supply and the sundry sub-agreements will follow.
- 3.) Since there has not yet been any answer to our application of 20 October 1936 to the Main Custom-House Wittenberg about obtaining industrial alcohol, Dr. ZAHN will settle this matter by direct negotiations with the Monopoly Administration (Monopol-Verwaltung).
- 4.) Dr. ZAHN counts upon the 1 October 1937 as deadline for the completion of the stabilisators-plant. The Wo (Wolfen) works will keep to this date.

(Translator's Note:  
Pencil note: Initial: B  
To Ministerialrat Dr. BUHL)

(Page 2 of original)

It is to be ascertained what amount of aniline and mono-ethyl aniline can be stored in the tanks of the stabilisator plant at Wo (Wolfen). Dr. ZAHN wants to store up a larger supply.

- 5.) Dr. ZAHN inspected the building site.

Wolfen, 19 December 1936.

(Translator's Note:  
pencil signature:) : Virck

CERTIFICATE OF TRANSLATION

I, DOROTHEA L. GALEWSKI, M.P. No. 34079, hereby certify that I am thoroughly conversant with the English and German languages; and that the above is a true and correct translation of Document No. NI-4488.

DOROTHEA L. GALEWSKI  
M.P. 34079

( E N D )

47

I. G. Farbenindustrie Aktiengesellschaft  
Directorate

Bitterfeld, 17 December 1936

To  
Ministerialrat Dr. Buhl,  
I.G. Farbenindustrie Aktiengesellschaft,  
Frankfurt/M. 20

Secretariat (Rubber Stamp)  
Retired Ministerialrat Dr. Buhl  
Received: 21 December 1936  
Answered:

Dear Dr. Buhl,

To-day we received a visit from Dr. Zahn who informed us that the main Diglycol contract has now been signed and that the stamp will be affixed within the next few days.

The sub-contract for Power, which we had already submitted to the office (Amt) some time ago, is also being signed now.

The other sub-contracts for the individual products will be sent to us shortly. These are only smaller contracts with about 3 articles which mainly contain only the costs of the individual plants.

Dr. Zahn informed us of the necessity for the first Diglycol plant to go into production immediately after completion. For this purpose he suggested that a lease contract be concluded with the Commander in Chief of the Army (Hs.: evidently according to Article 12) and he asked us to prepare such a contract. I replied that the main contract (Hs.: Articles 9, 10, 11) had already provided for the commencement of work, and I ask you, for your part, kindly to examine the question of whether it is more correct to work according to the main contract or to conclude a lease contract. Unfortunately Dr. Zahn was not able to give us a specimen of such a lease contract.

I told Dr. Zahn that I would ask you to see him again when you were in Berlin, in order to discuss the latter matter with him.

With German greeting,  
Yours faithfully,  
(Signature) I. Griston

(Hs. marginal note: Diglycol is to replace Glycerine, which is scarce (flake powder)).  
Initial: B

Hs. No 17

CERTIFICATE OF TRANSLATION

2 July 1947

I, BERYL C. BESWICK, D 427459, herewith certify that I am thoroughly conversant with the English and German languages; and that the above is a true and correct translation of the document no. NI-4487.

BERYL C. BESWICK  
D 427459

END

Copy of copy

III Dr. W./U.

Berlin, 11 January 1937

F i l e - N o t e

on a long distance call to Ministerialrat Dr. ZAHN, HWA, on 11 January 1937

1) Re: Ammendorf

Min. Rat Dr. ZAHN has agreed to start Ammendorf at once if Ludwigshafen guarantees to transport to Lu (Ludwigshafen) the produced oxide as far as that cannot be manufactured into thiodiglykol due to lack of storage-room, and to manufacture it into diglykol. A letter to this effect should be written to the H.W.A. once started, Ammendorf should not have to stop anymore.

At present, only about 150 cbm as storage-room are available. The rebuilding of the Gasometer will result in about 1,000 cbm at the beginning of March next, besides which containers for another 2,500t. shall be urgently ordered. I proposed the construction of walled concrete pits for this purpose. Mr. LORINSER is to obtain offers from two firms and forward them to the H.W.A. The completion of the warehouse is to be executed with the utmost speed.

2) Re: Wolfen

Min. Rat Dr. ZAHN is of the opinion that Wolfen cannot start before the taking over of the plant has taken place and the contract with I.G. Farbenindustrie with regard to the transfer, etc. has been concluded. H.W.A. is waiting for proposals of this kind from Wolfen. After the settlement of these formalities the immediate starting up of Wolfen seems to be necessary.

Ø for Dr. Virk

(Page (Page 2 of original)

Dr. ZAHN asked me to discuss the projects Scholven and Gruonau with him after his return from his journey which will last the whole week.

(signed) Dr. Wittwer

CERTIFICATE OF TRANSLATION

I, Dorothea L. GALEWSKI, M.P. No. 34079, hereby certify that I am thoroughly conversant with the English and German languages; and that the above is a true and correct translation of Document No. NI-4489

DOROTHEA L. GALEWSKI  
M.P. 34079

( E N D )

F i l e - N o t e

on a conference in Berlin on 20 January 1937.

PRESENT: Ministerialrat Dr. ZAHN of the H.W.A. (Heeres-Waffenamt)

Dr. BUHL )  
Dr. PISTOR ) of the I.G. FARBER  
Dr. VIRCK )

- 1) The Power and Steam-supply contracts, have been slightly changed in text by the Heeres-Waffenamt, but have otherwise been essentially accepted without any change. Dr. ZAHN will send the contracts to the I.G. for signature in the form now agreed on.
- 2) The lease-contract for the Diglycol production plant, drawn up by Dr. BUHL, was discussed. Dr. ZAHN agreed to the draft with the provision that the contract department of the Heeres-Waffen Amt examine it. Regarding the details of the apparatus, machines, etc. listed in Annex I, the Inventory lists which are yet to be drawn up should be referred to.
- 3) The estimates submitted to the Heeres-Waffen Amt regarding the supplementation of the diglycol-plant to an increased production of 400 tons per month and the Phosgene plant to 500 tons per month, are at the Office for Price Control (Preisprüfung).
- 4) There is a lack of storage facilities for diglycol. Dr. AMBROS has been asked by the Heeres-Waffen Amt to ascertain the demand of the Wasag (Westfälisch-Anhaltische Sprengstoff A.G.) and the D.A.G. (Dynamit A.G.) as well as the storage facilities.

(TRANSLATOR'S NOTE:  
Pencil Note: Initial B  
To Dr. BUHL)

(Page 2 of original)

- 5) Dr. ZAHN agreed that orders for the erection of line storage-facilities in Wolfen should be issued immediately. Written orders to this effect will reach us in the near future.
- 6) Storage of Aniline and Mono-Ethyl-Aniline. Dr. ZAHN asked us to find out whether it would still be possible for the I.G. to supply about 100 tons of Mono-Ethyl-Aniline per month in February and March, for storage in Wolfen.
- 7) Dr. ZAHN expressed the desire that the I.G. might transfer to the Heeres-Waffen Amt a capable, energetic engineer with allround machine-technical and also chemical knowledge. This man's task would be: Centralized agreement, supervision of orders, acting as advisor to the men of the chemical department of the Heeres-Waffen Amt. Tenure of his activity at the Heeres-WaffenAmt: 3 - 4 years.

Dr. PISTOR agreed to consider this question, but pointed out the difficulty of finding a suitable person, especially as the I.G. itself has vital tasks to accomplish in the framework of the Four Year Plan.

- 8) Dr. ZAHN informed us on the contents of a letter from the Monopolverwaltung (Monopoly Administration) according to which they will



agree to the Wolfen request for the procurement of undenatured alcohol at cheaper rate under the condition that consumption is normally supervised by the Customs authorities.

Dr. ZAHN will request the Customs authorities to have the storage containers gauged by the Customs Commissioner in charge.  
(Page 3 of original)

- 9) In connection with the Acetophenone project, Dr. ZAHN said that on the previous day he had conferred with Dr. von BRUENING about special questions which would have to be cleared up further yet. The manner as well as extent of production No. 3 depend on the result of this clarification.
- 10) In reply to our question, Dr. ZAHN stated that he still had the responsibility for the establishment of Hypo-Chloride and Chloride of Lime plants as before, but that the procurement rested in the hands of Captain BODE.

He urged us to submit to him a final estimate of costs

- 1) regarding procurement and storage of only the most important machinery and apparatus in the framework of the intended increase of Losantine manufacture.
- 2) for the effective extension of the present Losantine manufacture.

Wolfen, 23 January 1937

(Translator's Note: Pencil  
initial : V (for Virck))

---

CERTIFICATE OF TRANSLATION

---

I, DOROTHEA L. GALEWSKI, M.P. No. 34079, hereby certify that I am thoroughly conversant with the English and German languages; and that the above is a true and correct translation of Document No. HI-4492.

DOROTHEA L. GALEWSKI  
U.K. Civilian  
M.P. No. 34079

( 3 N D )

I.G. Farbenindustrie Aktiengesellschaft  
Farbenfabrik

Wolfen, Kr. Bitterfeld  
8 February 1937

I.G. Farbenindustrie Aktiengesellschaft  
Att.: Director Dr. BUHL

Registered

Frankfurt on Main -- 20  
Grueneburgplatz

Stamp: Secretariat  
Min.Coun. Dr. BUHL  
recd. 9 February 1937  
Answ.

Dear Dr. BUHL,

Enclosed I am forwarding to you a memorandum regarding a visit to Berlin on the 4th of this month. Dr. PISTOR would like to discuss the subject of "Dinitroanisol" with you, day after tomorrow, and I should like to give you the following comments on this:

The apparatus on hand in our plant making sulphur black (Schwefelschwarzfabrik) can be used, generally speaking, for the production of Dinitroanisol. This merely calls for a few supplementary items to be set up in the plant nearby which formerly produced sulphur blue (Schwefelblaufabrik). It is the question of apparatus for dressing which need not be attached to the floor or be stationary in a building so that upon request they also can be removed again at any time. For this reason Dr. ZAHN suggested for the estimate the wording as shown in inverted commas.

(Translator's Note: Handwritten: Discussed with Dr. PISTOR on 17/2. (Initial) "B" (for BUHL) ).

Dr. PISTOR would like to discuss with you whether such an addition made in our factory premises as they exist could encounter legal misgivings.

(2nd Page of original)

I.G. Farbenindustrie  
Aktiengesellschaft  
Farben Fabrik

Wolfen, 8 February 1937

Sheet 2

The costs for this addition would amount to a round sum of RM 100,000.

With German salute  
Yours sincerely,

(Signature) VIRCK

Enclosure

(3rd Page of original)

Memorandum  
on a conference in Berlin  
on 4 February 1937

Persons present: of H.W.A. (Translator's Note: H.W.A. - Heereswaffenamt -  
Army Ordnance Office) Ministerial Councillor Dr. ZAHN  
Dr. EHMAN  
Dr. HANECKE

of I.G. Dr. WITTMER (at the same time acting as Commissioner  
Raw Materials)  
Dr. VIRCK

Diglycol.

The Diglycol requirement of Vaseg and D.A.G. Dynamit A.G. combined  
amounts to at least 250 moto (Translator's Note: Moto - Monthly tonnage) for  
the years of 1937/1938. This requirement can be covered by Ludwigshafen and  
Wolfen plants provided Wolfen will be able to start work on 1 April.

The capacity is expected to be:  
for April Wo (Wolfen) 100 moto, Lu (Ludwigshafen) 100 moto

May Wo. 250 moto Lu 150 moto

from June onwards Wo 300 moto Lu 200 moto

According to a statement by Major NIESCHLAG the storing of 1000-2000 Jato  
(Translator's Note: Jato - Yearly tonnage) Diglycol - possibly from production  
surplus - is by all means desirable. Storage facilities are being provided  
for 18,000 tons of Diglycol.

In Krusmel and in Duensberg storage is already existing, or under  
construction for 500 tons for each of them.

Dr. ZAHN intends to create facilities for storage of 5000 tons in Wolfen,  
as well as for 5000 tons in Reinsdorf.

An estimate of 27 January 1937 covering storage for 5000 tons of  
Diglycol has been submitted to Dr. ZAHN.

(4th Page of original)  
(Page 2 of original)

It winds up with RM 840,000.

Dr. ZAHN declared he would not start work in Wolfen until plant ownership  
has been acquired and the lease contract signed.

Dinitroanisol.

Dr. ZAHN's attention was drawn to the fact that no additional apparatus  
has as yet been provided for the production of (600 Moto) Dinitroanisol  
under "Mob Case" (Translator's Note: Mob stands for Mobilization) because

TRANSLATION OF DOCUMENT NO. NI-4494  
Cont'd

so far an order to that effect had not been forthcoming. Dr. ZAHN asked for an "estimate" to be submitted to him "on apparatus and fixtures required to supplement the machine part in the Dinitroanisol plant".

In this instance there is no question of stationary apparatus which are to be installed in the old plant producing sulphur blue (Schwefelblau-fabrik).

Wolfen, 5 February 1937

cc: Dir. Dr. AMEROS  
Dir. Dr. PISTOR  
Dr. WITTEWERN  
Ministerial Councillor Dr. ZAHN  
Dir. Dr. BUHL (in handwriting)

Initial V (Translator's Note:  
Standing for Virck).

CERTIFICATE OF TRANSLATION

I, HERTHA C. KNUTH, AGO NO. X 046355, hereby certify that I am thoroughly conversant with the English and German languages; and that the above is a true and correct translation of Document No. NI-4494.

HERTHA C. KNUTH  
U. S. Civilian  
AGO NO. X 046355

END



TRANSLATION OF DOCUMENT No. NI-4486  
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES

I.G. FARBENINDUSTRIE AKTIENGESSELLSCHAFT

|                                       |                         |                     |
|---------------------------------------|-------------------------|---------------------|
| Cables:                               | Phone                   | Railway Station     |
| Anilinefabrik                         | Local Calls 8692        | Ludwigshafen/Rhine  |
| Ludwigshafen                          | Long distant calls 5693 | Anilinefabrik       |
| Bank accounts:                        |                         | Business hours:     |
| Reichsbank-Giro-Account               |                         | 8-12 and 13-17 hrs. |
| postal check account, No. (Illegible) |                         | closed on Saturdays |
| Post Office Ludwigshafen o.Rh.        |                         |                     |

To:  
Ministerialrat (retired) Dr. DUHL  
I.G. Farbenindustrie Aktiengesellschaft  
Frankfurt/Main  
Grüneburgplatz

Confidential;

Personal;

(transl's note: stamp):  
Secrétariat  
Minis. Rat. Dr. Duhl (ret.)  
Received: 17 March 1937  
answered: . . . . .

|                |                |                  |                    |
|----------------|----------------|------------------|--------------------|
| Your reference | Your letter of | Our reference    | Ludwigshafen o.Rh. |
|                |                | (Please quote in | Rhine              |
|                |                | reply)           | 16 March 1937.     |
|                |                | legal department |                    |
|                |                | Dr. Doe/O        |                    |

Subject: Diglycol-Plant Wolfen.

Dear Ministerialrat,

It was about the middle of January when you gave me an opportunity to look at the contracts for the Diglycol plant Wolfen on which you had been working. Besides the main contract there was also a draft for transfer of ownership and a lease. This then means that the I.G. intends to rent the plant and to operate it.

During the last few days, Dr. GOLDSCHMIDT approached us. He had somewhere heard of the Wolfen plant's existence and is now asking for a detailed explanation in view of the special agreement of 16 June 1930.

I suppose you have a copy of the special agreement which is part of the Holten contract available. I would like to refer to No. 6 concerning the agreement between I.G. and GOLDSCHMIDT in which both firms are bound to a common course in the manufacture of Olefines by means of chlorine, at home as well as abroad, and that at a participation rate of 3:1 for I.G. and GOLDSCHMIDT. This promise to GOLDSCHMIDT which has also been a disturbing factor with regard to other contracts lately, was at that time given to us in order to make GOLDSCHMIDT disinterested in this whole field and to procure the part he owned at that time.

(transl's note: In reply to Dr. GILDSCHMIDT's question we have for the time being suggested to him that the issue could not be suitably dealt with by letter, handwritten initial D)

( Page 2 of original)

I.G.FARBENINDUSTRIE AKTIENGESellschaft ON/RHINE

| Our Reference    | Date          | Page |
|------------------|---------------|------|
| Legal Department | 16 March 1937 | 2    |

To Ministerialrat Dr. BUHL (ret.), Frankfurt on Main.

giving him the prospect of an verbal explanation at some time. As we shall meet him next week with regard to other matters, I assume he will then again refer to the subject Welfen. I therefore would indeed be grateful to you if you would let me know what attitude we should take.

With German salute  
I.G.FARBENINDUSTRIE AKTIENGESellschaft  
Legal Department

(signature) BOECKLER.

(Page 3 of original)

Dr. Fritz BOECKLER  
Solicitor

Ludwigshafen/Rhine, 18 March 1937  
Friesenheimerstrasse 38  
Phone No. 8692 (I.G. Farbenindustrie  
Aktiengesellschaft)

Dr. Bee/S

To

Ministerialrat Dr. BUHL  
with letter to I.G. Farbenindustrie Aktiengesellschaft  
Frankfurt/Main  
Gruenburgerplatz

(transl's note:  
stamp)

Secretariat

Ministerialrat Dr. Buhl (ret.)  
received: 19 March 1937  
answered: . . . . .

Disclosed about Welfen

Dear Ministerialrat,

Thank you very much for your letter of 17 March. I see from it that circumstances regarding contracts for the plant at Welfen are not finally clarified yet. For this reason we shall refuse to answer possible questions by Dr. GILDSCHMIDT at our next meeting, giving him the prospect of a later conversation on the matter. In case I do not hear anything to the contrary from you, I assume that you will agree with this way of handling the

case.

With my best regards  
I am yours truly

(signature) BOECKLER

Confidential!

Personal!

(transl's note: handwritten  
initial D)

( page 4 of original )

To  
Solicitor Dr. BOECKLER,  
I.G.FARBENINDUSTRIE A.G.,  
LEGAL DEPARTMENT

17 March 1937

Ludwigshafen/Rhine

Subject: Diglycol-plant/Wolfen

Dear Dr. Boeckler,

In reply to your letter of 16 March, I am glad to inform you that the Diglycol-plant at Wolfen was originally planned merely as a stand-by plant in case of war and that for this reason alone we first had no cause whatsoever to contact GOLDSCHMIDT in this matter. Now we have received official orders, however already not to operate the plant, which means that a lease agreement has to be concluded first. I have made a draft for this contract and sent it to the authorities, but I have not had an answer from them yet. Under these circumstances, that is to say, before a lease agreement is signed and the operation of the plants is finally settled by it, any discussion with GOLDSCHMIDT on the matter seems to me a little premature. In addition to this we are bound to strictest secrecy, and would need official approval for a discussion with GOLDSCHMIDT on this matter. There will be the best opportunity for this when the lease agreement is discussed with the authorities.

With kind regards  
I am yours truly

(transl.note: signed: DUHL  
stamp)

CERTIFICATE OF TRANSLATION

I, DOROTHEA L. GALEWSKI, hereby certify that I am thoroughly conversant with the English and German languages; and that the above is a true and correct translation of Document No. NI-4486.

DOROTHEA L. GALEWSKI,  
MP 34079.

TRANSLATION OF DOCUMENT No HI-5763  
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES

I.G. FARB WIRTSCHAFTLICHE AKTIEGESELLSCHAFT Bitterfeld, 25 March 1937

Directorate

Secretariat  
Ministerialrat Dr. BUHL (retire  
Received 30 March 1937  
Answered:

Ministerialrat Dr. BUHL,

Frankfurt /M. 20

Subject: Di-glycolone plant.

Dear Dr. BUHL,

Yesterday we received a visit from Ministerialrat Dr. ZAHN, who took over the plant for the production of di-glycolone. We shall receive a confirmation of the transfer in the form of a memorandum, which will serve as document when the MONTAN takes possession of the factory. It is the letter with whom we shall have to conclude our lease contract, and Dr. ZAHN asks that you should begin verbal negotiations regarding the lease contract with Ministerialrat Dr. ZWIDLERACK in Berlin.

Notes  
B

Dr. ZAHN would like it very much if you would visit him when you are in Berlin, so that he can assist you in coming to an early conclusion of the contract.

We shall commence production in the Wolfen factory before the matter of the lease contract is settled, on the strength of Dr. ZAHN's letter of 15 March 1937 of which a copy was forwarded to you. Our output is to be sold to the explosive-factories Wasag and Dynamit-Nobel.

We further arranged with Herr Dr. ZAHN that we fix a provisional price for the product together with the auditor of the Reich War Ministry. This price is to be based on the present sales quotation Ludwigshafen, where diglycolone has been manufactured for some considerable time, and the higher amortization for the construction of the new plant is to be taken into consideration. This price is to be revised when the plant has been producing for a certain time.

Regarding fire insurance Dr. ZAHN will talk to Dr. ZWIDLERACK; he, too, holds the view, that in the case of

No 17

(page 2 of original)

I.G. FARB WIRTSCHAFTLICHE AKTIEGESELLSCHAFT Bitterfeld, 25 March 1937

Directorate

di-glycolone production, which entails fire risks, an insurance is appropriate. Concerning the insurance of the raw materials and the finished product we have already arranged the preliminaries ourselves.

I enclose file note of the talk with Dr. ZAHN, which was prepared by Dr. WIRCK.

I wish you a happy Easter and remain with

Deutschen Grusse,  
Yours very respectfully  
signature illegible

- Enclosures -

- 1 -



(page 3 of original)  
File No. H 2 0.

The visit of Ministerialrat Dr. ZAHN and Ministerialrat Dr. BRAMM  
of the Army Economic Office on 24 March 1937 in Wolfen.

Present for I.G.: Dr. PISTOR  
Dr. SCHÖNBERG  
Dr. DEYER  
Obering. KUSLMAN  
Dipl.-Ing. LORISCHER  
Dr. VIERCK

- 1.) The purpose of the visit was the incorporation of the di-glycolone plant. The memorandum on the incorporation will be forwarded to us by Dr. ZAHN.
- 2.) As an exact basis for the calculation of the price for di-glycolone can be obtained only after several months of production, and as on the other hand we must contact Jaseg (Westphalisch-Anhaltische Sprengstoff A.G.) and D.A.G. (Dynamit Aktiengesellschaft), who are going to be the buyers of our product, Dr. ZAHN recommended that an agreement should be arrived at with the Reich War Ministry (Diplom Ingenieur WEDLER) regarding a provisional standard price. This price is later to be adjusted when actual cost price has been calculated. The initial costs for setting the plant going are to be included in the price.
- 3.) Dr. PISTOR pointed out the local regulations concerning the Organization of German Settlements, which raises the question of the construction of workers' houses. The houses are to be built by the Army High Command as owner of the plant. Dr. ZAHN requested that he should be contacted in this connection.

(page 4 of original)

No 17

- 4.) Omega salt. Dr. ZAHN commissioned REINHOLD with the planning of an installation which is to produce 660 tons of Omega salt per month. It is said that the process is one which does not require chloroacetyl chloride but aluminium chloride as raw material.

We confidentially informed Dr. ZAHN of our newly evolved process, in which we achieve the FRIBEL-CRAETS synthesis not with  $AlCl_3$  but with  $FeCl_3$ , and pointed out the advantages as regards materials.

The costs of an experimental apparatus are to be assessed and the figures to be forwarded to Dr. ZAHN.

Wolfen, 25 March 1937

signature: VIERCK

To Director Dr. BUEL  
" Dr. PISTOR ✓  
Ministerialrat Dr. ZAHN

TRANSLATION OF DOCUMENT No NI-5763  
CONTINUED

(page 5 of original)

Copy

High Command of the Army

Berlin W 35, 15 March 1937

Tirpitzufer 72-76

File Reference: 74 a/f

Telephones: C 1 Steinplatz 0012

(SKIVIII, 2)

Wa B 9 No. 379 / 37 secret

|                          |
|--------------------------|
| Secretariat              |
| Ministerialrat (retired) |
| Received: 20 March 1937  |
| Answered:                |

To the firm of

I.G. Farbenindustrie A.G.

c/o Herrn Director Dr. PISTOR or deputy

S i t t e r f e l d .

Subject: The starting up of the di-glycolone plant Wolfen.

The great shortage in glycerine supplies on the one hand, and the increased demand in the most widely divergent industrial and Wehrmacht spheres on the other hand, make it necessary that an adequate amount of di-glycolone should be available at the right time. The High Command of the Armed Forces therefore agrees that you take all measures to ensure an early start of production in the new di-glycolone plant in Wolfen. It is presumed that the buyers for the entire output will in the first place be the powder and explosive factories (Wase; and D.G.) who will place their orders directly with you. The right is reserved for the High Command of the Armed Forces to order additional di-glycolone for special purposes if necessary. 1 April is to be marked down as the latest date for beginning of production. The army-owned di-glycolone plant in Wolfen is leased to you for this purpose by the Munten. The conclusion of a suitable lease contract with that company is reserved. You are requested to communicate directly with Wa B Staff V, Ministerialrat Dr. ZIEHLEACK regarding this contract. Will you, at the same time, communicate with the Army Ordinance Office Price Control Bureau, so that from the outset all questions on price formation, increases, introduction of a suitable bookkeeping system, etc. can be clarified according to the overall agreement concluded with you on 24 October to 2 November 1936. It is important that the question of price formation in particular is settled unequivocally from the start.

RM 91,000 (in words: ninety one thousand Reichsmark) have been provided, in accordance with your estimate of 13 June 1935 to cover the initial costs. It has been agreed upon with the Price Control Bureau (Armed Forces) that this amount is to be taken into full account when fixing the price of the finished products.

Please confirm receipt of this in writing.

By proxy  
signature

TRANSLATION OF DOCUMENT No NI-5763  
CONTINUED

(page 5a of original)

Secret.

1. This is a state secret in the sense of Article 88 of the Reich  
Tax Penal Code.
2. To be forwarded under seal only; if mail channels are used as  
"registered letter".
3. To be kept in securely locked deposit as addressee's responsibility.

CERTIFICATE OF TRANSLATION

May 23, 1947

I, Annette Wallach, 20101, hereby certify that I am thoroughly  
conversant with the German and English languages and that the  
above is a true and correct translation of the document No NI-5763.

Annette Wallach  
No. 20101

"END"

- 4 -

TRANSLATION OF DOCUMENT No. NI - 4193  
OFFICE OF CHIEF OF COUNSEL FOR ARMY CASES

(stamp:)

Secret!

1. This is a state secret within the meaning of article 38 of the Reich Penal Code.
2. Only to be handed over under sealed cover; to be "registered" if sent by mail.
3. To be kept under lock and key at the responsibility of the addressee.

Building Contract.

Between

the German Reich (Treasury of the Wehrmacht) represented by the High Command of the Army, hereafter abbreviated "OKH" and the I.G. Farbenindustrie Aktiengesellschaft, Frankfurt a/Main, hereafter abbreviated "I.G."

Preamble.

(1) At the request of the OKH and by reason of the skeleton agreement concluded between the OKH and the I.G., dated 24.10./2.11.1939 the I.G. has on the account of the OKH made various stand-by plants and adjoining supplementary and auxiliary plants available for the production of diglycol and stabilizers on tracts of land belonging to the I.G. Holfen Werks and leased to the OKH. Later, at the request of the OKH, other stand-by plants for the manufacture of Dinitrodiphenyl-asis, decontamination chemicals and others, were added which are still largely under construction at present. The OKH has selected the Vorwerkum Gesellschaft fuer Montanindustrie G.m.b.H. Munich, hereafter abbreviated "Montan", to carry out this project, and the tract of land, needed for the construction of the stand-by plants, is being put at its disposal by the I.G. through an "Erbauvertrag" (a contract which contains a perpetuity clause giving the lessee the right to acquire ownership of involved land from the lessor)

(2) A detailed list of the stand-by plants follows:

a) Preliminary products for explosives (diglycol and dinitrodiphenyl-asis)

Plant for the production of 300 tons per month of diglycol

commission number 4 - 7109/35 dated 16 December 1933



TRANSLATION OF DOCUMENT No. NI - 1193  
CONTINUED

(Page 1 of original cont'd.)

Expansion of the Diglycol-plant to 500 tons per month  
Commission number 9/VII - 247 - 0110/38 dated 5 Sep-  
tember 1938

Expansion of the intermediate stage of Diglycol-plant and  
enlargement of the alcohol warehouse.  
Commission number 9/VII - 240 - 7053/39 dated 18 Sep-  
tember 1939.

Construction of a Diglycol warehouse.  
Commission number 9 - 7027/36 dated 4 March 1937.

(Page 2 of original)

Plant for the production of 130 tons per month of  
Dinitrodiphenylsulfide  
Commission number 9 - 7072/37 dated 17 March 1938.

Expansion of the Dinitrodiphenylsulfide plant for  
establishment of a nitrating system.  
Commission number 9 - 7072/37 dated 20 December 1939

b) Stabilizers

Plant for the production of 235 tons per month.  
Commission number 4 - 7115/35 dated 31 March 1936.

Levelling of the ground for the stabilizer plant  
Commission number 4 - 7111/35 dated 2 March 1936

Procurement of 8 auto-claves  
Commission number 4 - 7110/35 dated 13 February 1936

Conversion of the alkalizing-and other plants to  
continuous operation  
Commission number 9/VII - 240 - 7057/39 dated 25  
September 1939

Addition to the stabilizing-apparatus.  
Commission number 9/VII - 240 - 7057/39 dated 21 March  
1940.

c) Decontamination Chemicals.

Plant for the filling of product 12  
Commission number 9/VII - 247 - 0109/38 dated 20  
September 1938

Plant for the production of 50 tons per month of  
product 12  
Commission number 9/VII - 247 - 0109/38 dated 14  
December 1938

TRANSLATION OF DOCUMENT No. NI - 4493  
CONTINUED

(Page 2 of original cont'd)

d) Liquid Phosgen.

Expansion to 600 tons per month of phosgen.  
Commission number 9/VII - 240 - 7058/39 dated  
26 September 1939

Construction of a filling plant for 300 tons per  
month of Oil F  
Commission number 9/VII - 240 - 7064/39 dated  
9 November 1939

Construction of a filling plant for shells.  
Commission number 9/VII - 240 - 7070/39 dated  
5 December 1939

If the plants were completed before 1 April 1940,  
the skeleton agreement referred to in paragraph 1  
is applicable for their construction. Insofar  
as the plants were not completed before 1 April  
1940 the following provisions regarding their  
construction are agreed upon between the OKH  
and the I.G.

(Page 3 of original)

Section 1.

(1) According to the provisions of this agreement, the IG undertakes to build the installations named in Paragraph 2 of the preamble, insofar as they were not completed on 1 April 1940, on the tract of land named in Paragraph 1 of the preamble, by order of and on the account of the OKW.

(2) The installations to be furnished will include the necessary auxiliary and elevating installations. Steam and electric current for the installations will be furnished by the IG-Plant Wolfen.

Section 2.

The IG undertakes to construct all installations with the care of an ordinary business man and technician, with all practicable thrift and with the greatest speed, and to use all suitable patents, processes and experience at its disposal.

Section 3.

(1) The IG undertakes to obtain all necessary permits from the building and trade supervision offices.

(2) The IG will observe all regulations of the trade supervision office. Changes in plant equipment or working methods, which are requested by the competent authorities in this connection, are to be submitted to the OKH for approval before being put into practice. All costs and fees arising from the above provisions will be borne by the OKH.

(3) As soon as the location and structural design of the buildings to be constructed have been fixed in detail, the IG will apply for approval to the competent military and civilian Air Raid Precaution Offices. In the interests of protection against air raids, the following should be given special consideration in the planning of the installations:

(page 4 of original)

- a) Steam and water pipelines, and electric powerlines should be arranged in a ..... circular system,
- b) The roof construction of the main buildings should offer protection against incendiary bombs,
- c) All buildings should be furnished with black-out screens,
- d) Suitable shelters for both active and inactive personnel should be provided.

Section 4.

(1) The firm undertakes to furnish to the OKH upon request preliminary estimates of the costs of the individual stages of the construction, which have to be examined and approved by the officials of the OKH dealing with the matter. Any deviation from these approved estimates will require the specific consent of the OKH, and indeed the closest co-operation with the officials dealing with the matter at the OKH is necessary for clarifying the details, and the OKH should be kept informed on the progress of the work.

(2) The estimates are to be subdivided as follows:

- a) An estimate of the purchasing price and additional expenses in connection with the acquisition of the land, including a plan of the site, which must contain information on the size of the tract.
  - b) An estimate of the cost of constructing the buildings and of other construction work.
- To this estimate should be attached:
- I. A detailed description of the individual buildings;
  - II. Drawings for the individual buildings (Scale 1: 200);
  - III. A table, giving the number of square meters covered by each building, the number of cubic meters occupied by each building, and the cost of building space per cubic meter, taking into account all installations and any foundations for machines which may be required.
  - IV. A table of the costs of secondary installations (grading of the land, draining, light and power supply, tracks etc.) showing individual amounts, measurements and thicknesses.



(page 5 of original)

- c) Estimates of costs for furnishing the necessary machinery including installations, tools and gages.

Par. 5.

1.) Insofar as the I.G. will contact the suppliers for the completion of this building contract, it will be done under its own name, for the account of the OKH.

2.) This public advertisement, construction and accounting for the construction work are to be based on the rules of the contract order for constructional work and the building price order of June 16 1939 and explanations of 16 January 1940.

3.) Excluding special construction work, 3 offers should be considered for each of the contracts to be made. The I.G. will in <sup>every</sup> case accept the offer most favorable in every respect. Should this not be the cheapest, an explanation will be given by the I.G. in the final account.

Par. 6.

1.) In accordance with its need of money for the construction of the installations, the I.G. will in each case present detailed demands to the OKH in good time; the reimbursement of the I.G. called for in Par. 8 is to be added to other expenditures to be paid.

2.) Of the sums demanded the OKH will make available to the I.G. such amounts as are required for current payments and expenses by I.G. at any time, all these payments being subject to approval in the final account. A construction interest of 1% above Reichsbank discount rate per annum will also be considered as expenses paid in advance by the I.G. on behalf of the OKH, provided, however, that the I.G. has made a prompt report of such payments.

3.) The final account will be drawn up after completion of the installations. Proof of deliveries made by third parties will be rendered by presentation of the original bills, and of services rendered by the I.G. itself by presentation of cost price bills according to LSO (directives for the calculation of costs in government contracts). The tax on the turn-over should be shown as a separate item in each case.

(page 6 of original)

Par. 7

1.) During the period of building the OKH itself or its representatives have the right to check on the state of the construction work at any time, to examine whether the construction follows the blueprints agreed upon, and to inspect the condition of the installations after completion.

2.) A joint statement will be executed after each inspection of the state of the construction work. At the option and expense of the OKH the installations may be tested in operation ; if the production rate agreed upon is reached on 14 consecutive days, this will be considered sufficient proof.

Par. 8.

Compensation amounting to 6 % of the final construction cost for the entire project, including all materials, especially mechanical installations, will be paid to the I.G. for working out all blue prints, making all estimates of costs, collecting and checking all offers, ordering and accepting deliveries, obtaining official permits, for general supervision of construction, also for local supervision and checking of building construction , settlement of bills and filing of claims in case of shortages. This compensation is payable also for the construction material furnished by the I.G. itself.

Par. 9.

Both parties undertake to keep the contents of this agreement absolutely secret from outside parties, to initiate their personnel only to the extent absolutely necessary, to make it incumbent upon such persons to observe permanent secrecy and to take all measures necessary to guarantee secrecy .

TRANSLATION OF DOCUMENT No. NI - 4493  
CONTINUED

Paragraph 10

(1) All disputes arising out of this agreement regardless of the value involved will be referred only to the Landgericht Berlin.

(2) At the opening of any law-suit the litigants are required to apply immediately for a hearing in camera, for a court order binding press representatives to observe secrecy, according to paragraphs 172 and 174 of the GVG (Gerichtsverfassungsgesetz - Law for the Constitution of the Courts) and finally for a ruling that all documents be classified and put under lock and key.

Paragraph 11

(1) The costs arising out of this agreement will be borne equally by both parties.

(2) The agreement will be executed in two copies, each party will receive one copy.

Berlin, on the            day  
Supreme Command of  
the Army

Frankfurt a.M. 18 November 19  
I.G. FARBENINDUSTRIE AKTIEN-  
GESELLSCHAFT

signed: Dr. DUD    signed: (signature)

CERTIFICATE OF TRANSLATION

1 July 1947

I, Hermann KASKEL, Civ. No. 1646, heroby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of the document No. NI - 4493.

Hermann KASKEL  
Civ. No. 1646

??  
..... Nr. 1715  
..... Dipl. Ing. GEBHARDT? Branch I ....21/2/38  
.....??.....

CONFIDENTIAL

R E P O R T

on the Conference on Nitrogen at Leuna on 22. December 1937

|   |         |
|---|---------|
|   | 219     |
| 1) Report on sales and market for commercial Nitrogen                     | 3 - 6   |
| 2) Report on sales and market for nitrogen for fertilizers                | 7 - 11  |
| 3) Agricultural situation at the end of 1937 and prospects Nitrogen Sales | 12 - 38 |
| 4) Position of projects for foreign countries                             | 39 - 54 |
| 5) Programme for production and development of production                 | 55 - 56 |



(page 2 of original)

The following gentleman participated:

|                    |  |
|--------------------|--|
| from Berlin        | : Benn, Fahr, Fischer, Flad, Hanser,<br>Kretschmann, Oster, Roetger.   |
| from Bitterfeld    | : Buergin, Lang  |
| from Frankfurt     | : Dencker, ter Meer, Struss  |
| from Halle         | : Scharf, Steffenhagen,  |
| from Hoechst       | : Jaehne, Staib  |
| from Koeln         | : Bachmann   |
| from Louna         | : Buestefisch, v. Felbert, Henning, Lang-<br>heinrich, Sauer, Schneider, v. Staden, W<br>Waelder, Willfroth, Wyszomirski,<br>Strombeck |
| from Leverkusen    | : *****  |
| from Ludwigshafen: | Ambros, Boeckler, Duden, Pier, Simon,<br>Stroebels, Wurster  |
| from Oppau         | : Balz, Fahrenhorst, Goldberg, Grimm,<br>Kircher, Krauch, Lappe, Ad. Mueller,<br>Mueller-Cunradi, Schliephake,                         |
| from Piesteritz    | : Ritter,  |
| from Wolfen        | : Petersen   |

(page 3 of original)

1) Sale and market conditions for commercial Nitrogen. Hanser

I.G.'s activity in the field of Nitrogen products for commercial purposes amounted to approximately 84 000 tons Nitrogen in the year 1937. This quantity is made up as follows:

|                                  | <u>Tons Nitrogen</u> |
|----------------------------------|----------------------|
| Share of I.G. in Syndicate sales | 40 000               |
| Requirements of associated works | 17 000               |
| Own requirements of the I.G.     | 27 000               |
| total:                           | 84 000 Tons          |

As compared with the year 1936 activity has increased by about 25 000 tons Nitrogen or 44%. 2/3rds of the increase is accounted for by the home market and 1/3rd by the foreign market. The increase in home consumption is made up of 10 000 tons Nitrogen for nitric acid and 7 000 tons Nitrogen for liquid ammonia; the increased quantity of the latter product mostly went to Dormagen for the production of artificial silk. The most important product in commercial nitrogen still continues to be nitric acid, and of the total sale of 84 000 tons Nitrogen in 1937 this accounted for 36 000 tons Nitrogen or 43%. These 36 000 tons Nitrogen are spread in fairly equal parts over the I.G. share in Syndicate Sales, the requirements of the associated works and I.G.'s own requirements.

With regard to home prices, we have not reduced the price of commercial nitrogen in line with the reduction price for fertilizer. recently. The question came again to the fore owing to the order to reduce prices of trade mark articles by at least 10%. We have informed the competent offices that we have no trade mark articles, and the only product which might come under this heading, namely carbonate of ammonia, is not a trade mark article.

(page 4 of original)

Therefore we have made practically no price reduction at home in the course of the year.

On representation by the Reich Ministry of Food and the Office of Raw Materials, we only consented to reduce the price of urea for feeding purposes from 75 Pfg per kilo nitrogen, delivered free, to 60 Pfg per kilo nitrogen, factory. Of a quantity of 2,500 tons urea proposed for 1937, we have delivered up to now 500 tons urea at this price. In November there was a temporary shortage of nitric acid caused by large orders from the factories producing explosives. Consequently the Reich Ministry of Economics and the Army Ordnance Branch considered it necessary to intervene and to prescribe a plan of distribution. However, direct control was not exercised, as there is already an organization for distribution in the form of the Syndicate. Some of the orders for nitric acid for November were cancelled for various reasons; it has been established that various consumers ordered larger quantities than they really needed on account of the alleged shortage. At all events in December 1937 there are sufficient goods to meet requirements, and there will be during the next few months.

If there was a shortage of nitric acid here or there, it was in most cases due not to shortage, of goods, but to a lack of tank cars. As we have always foreseen this difficulty, we had decided to build a second tanker, and this has already been running for several months.

CERTIFICATE OF TRANSLATION

I, Victoria ORTON, Civ. No. 20129, hereby certify that I am thoroughly conversant with the English and German language and that the above is a true and correct translation of the document No. NI-5668.

Victoria ORTON  
Civ. No. 20129



TRANSLATION OF EXCERPTS OF DOCUMENT No. NI-5896  
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES

Minutes

of the Technical Directors' Meeting at Frankfurt/Main-  
Hochst on 3 May 1937

Attended by:

Herrmann  
Jachno  
Kraenzlein  
Pfaffendorf  
Roth  
Staib  
v. Bruening  
Engelbartz  
Fehrle  
Hagenboecker  
Hilcken  
Krauss  
Landers  
Lange  
Moeller  
Orthner  
Ranzenberg  
Tampke

Filos  
dealt with

.....

(page 4 of original)

.....

Staib: The Nitrogen Section shows a considerable increase in shipments. In 1936 about 30 railway-cars a day were loaded, whereas in 1937 about 120 railway-cars a day.

signature Bruening

Initial: H

CERTIFICATE OF TRANSLATION

22 May 1947

I, ARTHUR MACMARRA, Civ.No. 20 191, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of excerpts of the document W. NI-5896.

ARTHUR MACMARRA  
Civ.No. 20 191.

I.G. Frankfurt  
Chemical Sales Combine.

CONFIDENTIAL

To Statistical chemical accounts

Management

In the building

Leverkusen

8 February 1937

Your reference

Your communication of

Our reference

Report number

To be quoted in

reply

Dept. Z FI/7

File No.....

Date: 5.2. 1937

Subject: Methylsulphochloride / HIGH COMMAND

The Army High Command informs us under date of the 2 instant  
(Lz 41 gch. Wa B 4 A Number 2260/37 g.):

"The delivery of 30 t methylsulphochloride is to be allotted for free disposal in a packing suitable for several years' storage. Methylsulphochloride is destined for the manufacture of a decontamination oil which has been developed by IG Farbenindustrie A.G. at Bitterfeld . . ."

The subject here in question is the preliminary product for Substance No. 12, which, according to a communication received by us today from Dr. Marx, A.G. would be produced by Leverkusen (Z-division, Dr. Doehne). An exchange of ideas has already taken place between Dr. Marx and Dr. Doehne on this subject and a cover name for methylsulphochloride has also been agreed upon already in this connection. This last is also called "Substance" with a code number (similar to "Substance No. 12"), which must still be given us by Dr. Doehne. All further correspondence would then be carried on under the cover name "Substance No. . ."

The usual terms are valid for the bid; we add hereto the High Command's letter of 2.2.1937 on this point for your attention, and request its return.

We request you to furnish us the required bid calculations in triplicate.

It would remain to ask Leverkusen as to the earliest date when the supply of the demanded 30 t can be begun, and whether and in what partial quantities delivery could follow. Moreover, the packing suitable for several years' storage is to be designated or ascertained by Leverkusen with statement of the costs of this packing, reckoned for 100 kilograms of goods.

CHEMICAL SALES COMBINE

Department Z

Signed: Flethe

Leverkusen

to Fa

TRANSLATION OF DOCUMENT No. NI-4636  
CONTINUED

(page 2 of original)

Return to the Management, Leverkusen

IG Frankfurt

To:  
Director Dr. Buchne  
Leverkusen

Registered  
Confidential

|                |                    |    |               |               |
|----------------|--------------------|----|---------------|---------------|
| Your reference | Your communication | of | Our reference | Date          |
| Calculation    | 6.3.37             |    | Ko/Bl         | 12 March 1937 |
| Li-No          |                    |    |               |               |

Subject: Methylsulfochloride.

We thank you for sending the above calculation, which we have sent today to our sales department 2 for forwarding to the buyer, with the explanations to be seen from the attached carbon copy.

We give you, in addition, a specification of the items compiled in the calculation of our own total costs, so that you may have the necessary document for an examination of prices which may be made eventually.

STATISTICS

of settling of accounts for chemicals.  
(signature) Koch

Enclosures

(signature) To Dr. Buchne Initials

CERTIFICATE OF TRANSLATION

7 June 1947

I, HERBERT RODECK, No. B 397499, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of document No. NI-4636.

.....  
HERBERT RODECK, No. B 397499.

- 2 -  
"END"

72

I.G. Farbenindustrie A.G.  
Vermittlungstelle W  
Dr. Vg/W.

25 June 1938

SECRET

1. This is a state secret within the meaning of Article 88 of the Reich Penal Code.
2. To be forwarded only under seal; if sent by post, to be "registered"
3. To be kept on responsibility of addressee under lock and key.

File Memorandum

Subject: Substance for the decontamination of weapons.

We were invited today to OKH, Wa J Rue I, and there spoke to

Mr. Groppler, pharmacist  
Mr. Cyran, pharmacist.

In answer to the letter from Department Z, dated 10 June 1938, we were given the following information:

The production of the substance for the decontamination of weapons, in Wolfen, is to be brought up immediately to the greatest capacity possible at the present time, i.e. 17 tons per month. The increase to 34 tons per month is not to be carried out by 1 November 1938 but by 1 September 1938. The necessary iron will be assigned by Wa J Rue 9; the assignment is already under way. Production must at all costs be so organized that by 1 October 1938, 100 tons per month of the finished product are delivered to the Army; if necessary, three shifts must be worked from now onwards, if this is not already the case.

Moreover, production is to be increased from 110 to 120 tons per month, as quickly as possible. A statement is to be made as quickly as possible as to when this increase, i.e. the extension of the plant, is possible. The necessary iron will likewise be assigned from the Army quota.

With regard to the financing, verbal agreement was given to the proposals of Department Z made in the letter mentioned, dated 10 June 1938. No agreements have as yet been reached and no fixed promises made as to the cost of the new apparatus. It was requested that, at all costs, the increase to 120 tons per month be made immediately and with all possible speed.

Wa J Rue I requests an answer to the following questions, by 0900 hrs. on Monday, 27 June 1938 at the latest:



( page 2 of original )

I.G. Farbenindustrie A.G.  
Vermittlungsstelle W

25 June 1938

- 1.) What supplies are available in Wolfen at the moment?
- 2.) How much can still be completed by the end of June?
- 3.) Is it possible to manufacture 17 tons per month, in the months July/August?
- 4.) Can production be increased to 34 tons per month as from 1 September 1938?

With regard to packing, it was announced that the produce was to be packed in glass globes with a 25 l content, in wicker baskets, with a glass stopper with a 1 mm bore. The stopper is to be fastened, for safety, with an Igolit-foil.

( stamp ) signed Wagner

Distribution:

- Original, Vermittlungsstelle W,  
1. Carbon copy to Dr. Harx, Wofa, previously informed by telephone.  
2. Carbon copy to Dr. Boelme, Leverkusen  
3. Carbon copy to Mr. Flotho, Department Z., previously informed by telephone.

6 x

CERTIFICATE OF TRANSLATION

2 June 1947

I, Beryl C. HESWICK, No. D 427459, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of the document No. NI-4634.

.....  
Beryl C. HESWICK, No. D 427459.

I.G. Farbenindustrie Aktiengesellschaft Ludwigshafen a. Rh.

Intermediates Group

201

Herr Direktor Dr. Krauch

Dr. A/Kr. 27 June 1938

In compliance with your request we give you our personal impressions of the development of the program for the manufacture of chemical warfare agents and explosives in Germany.

A.)

Since at present German industry is over-burdened by the many projects of the Four-Year Plan and also by the increase in exports, we request that in future industry should deal only with

one

fully responsible, competent office for matters relating to new projects for the army.

This office must be able to make decisions regarding

- (1) over-all plans for chemical rearmament,
- (2) contractual regulation and financing of the projects,
- (3) allocation of building materials and labor (Arbeitsinsatz).

What is lacking at present is co-operation between the Reich Office for the Development of Economy and the many Wehrmacht Offices, and we give you below a few typical examples:

1) Building up of Diglycol stocks:

The Reich Office, for understandable reasons, is urging the laying in of stocks of Diglycol now, in June, whereas the Army Ordnance Office is reluctant to do this. As late as April, for instance, the productive capacity of the Welfen plant was reduced by about half and the purchase of the production of Ludwigshafen was stopped entirely.

(page 2 of original)

2) Diglycol Plant at Schkopau:

Since last year the Office for Raw and Synthetic Materials, now the Reich Office for the Development of Economy, has been negotiating with I.G. through the Frisia Holding Company regarding the construction of a Diglycol Plant at Schkopau. Negotiations were drawn out because of the financial part of the scheme and because of questions of ownership concerning the real estate to be transferred. In the meantime, however, we have received the impression that the Reich Office has no right whatever of disposal over public means, which means therefore, that only the Army Ordnance Office, which constantly emphasizes its rights in this matter, has any jurisdiction to do this. It is for this reason that we conducted the negotiations, which will presumably be concluded in a few days, with the

(page 2 of original cont'd)

Army Ordnance Office and not with the Reich Office.

The situation now is that the plant for preliminary products at Schkeppau, which was provisionally built with I.G. funds, will be completed in a few weeks, but - as we have already stated - negotiations are still being carried on regarding the sector dealing with the processing of ethylene oxide into diglycol.

3) Army Ordnance Office Plant at Trostberg:

On the other hand, however, the Army Ordnance Office has been working on the final stage in the production of poison gases at Trostberg since 1937, although even today it is still not clear what process is used in the production of the preliminary products, and it may be years before one knows how much work the final stage will entail, and all this at a time, when, as is known, there is such great scarcity of materials.

A remarkable fact is that the Reich Office is striving to bring about the merging of the stand-by plants with the existing factories, whereas the Army Offices often prefer the plants to be constructed "out in the green meadows". Even so, we are of opinion that in most cases this does not meet the requirements as regards camouflage; moreover the speedy construction of the plant is always fraught with great difficulties and requires far more materials. This is especially the case where a new power system has to be installed.

When we come to the actual contracts, and more especially the financial side, we always find the slowness of the formalities a great disadvantage. The result is that today industry has to tackle most projects on the basis of preliminary decisions.

(page 3 of original)

As for the problem of the allocation of materials and the correct allocation of labor (Arbeitseinsatz), we would point out that it is not enough to allot quota numbers; what is required is that there should be a definite plan, in other words priorities should be better applied. Today the bottle neck is no longer the scarcity of iron, but the work load in the German machine factories. Surely more progress can be made by carrying out a few projects rapidly than by dragging along laboriously with many new projects, as is very often the case at present. We need hardly mention what a heavy burden this "rush to meet deadlines" puts upon our construction offices, and, above all, the financial effects of this halting method of construction. In addition, there are the control offices which interfere with the distribution of salvage materials. It falls mainly to private enterprise to deal separately with these authorities too.

separate B.)

Also as regards the/competencies of the Reich Office and the various Wehrmacht offices in the field of research, we are equally in the dark.

Actually, the real advances in the field of chemical warfare agents and explosives should come - as is the case in other countries - from the industrial research laboratories. Industry is in the best position to

(page 3 of original cont'd)

judge as to the supply of raw materials and technical processes. It is, therefore, sufficient (it may even be an advantage) if the official agencies confined themselves to reviewing results, financing experiments and issuing directives for further research.

(page 4 of original)

But as mentioned under (.) at present we do not know which of the many official agencies is really competent.

In the Army Offices tests are supervised by officers who, unfortunately, return to active service after a while, so that there is no degree of permanency. The permanent civilian specialists cannot remedy this great disadvantage, for in the organization as it exists at present they do not possess the necessary powers.

In our opinion, for what it is worth, rearmament in the field of chemical warfare agents is inadequate and has to all intents and purposes remained at the 1918 level. Only during the last few months have attempts been made to apply technical advances to the old chemical warfare agents/under the driving force of industry, especially of I.G., to develop new types (Compare mixed mustard gas, N-mustard gas, etc.).

(page 5 of original)

In the interest of our defense, therefore, we consider it expedient to set up the following organization at once:  
A single responsible office must be created on the pattern of the English Ministry of Defense (englisches Verteidigungsministerium) which decides all questions pertaining to

research;  
planning,  
financing and contractual settlements  
and supervises the putting into operation and  
which is acknowledged to be the voice of the army and of all competent Reich Ministries.

This office should set up a board of trustees (Curatorium) composed of responsible representatives from the Army, the Reich Ministry of Finance, the Reich Office for the Development of Economy as well as from Industry, which will act as a preparatory committee to work out recommendations and submit them for decision, in the same way as the "Defense Council" during the world war.

This council would guide research and determine planning, particularly the sequence of the projects.

The "Defense Ministry" would then make arrangements for the financing and contractual settlement through the Ministry of Economics. The putting into operation, the supply of raw materials, allocation of labor (Arbeitsinsatz), regulating of tariff questions etc. would be effected through the Office of the Four-Year Plan, in other words, by the Reich Office for the Development of Economy.



TRANSLATION OF DOCUMENT No. NI 5687  
CONTINUED

(page 6 of original)

If German rearmament is to proceed with the necessary speed and on national principles, what we need is that we should deal with one single, responsible officer.

CERTIFICATE OF TRANSLATION

3 June 1947

I, VICTORIA ORTON, No. 20129, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of the document No. NI-5687.

.....  
VICTORIA ORTON, No. 20129.

TRANSLATION OF DOCUMENT No. NI-4637  
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES

I.G. Berlin SO 36  
Central Buying Department

SECRET!

(stamp)  
Direction Department

16 July 1938

1. This is a state secret within the meaning of Article 88 of the Reich Penal Code.
2. Only to be handed on sealed, if sent by post, to be registered.
3. To be kept at responsibility of addressee, under lock and key.

Strictly confidential!

To  
Management Department  
for the attention of Dr. Ludwig  
Leverkusen

Your reference  
B

Your letter of  
13 July 1938

Our reference  
Central Buying  
Department

date  
4 July 1938

Subject:

Toluol/ letter from the Buying department Ludwigshafen of the 9th of this month concerning taking over of additional toluol by the A factory.

After we had received your telephonic promise yesterday, according to which an additional taking over of 500 tons of cleansed toluol or pure toluol with about 50 - 60 tons per day would be possible, we immediately make direct contact with the Supreme Command of the Army, which had previously addressed itself to Vermittlungsstelle W. It developed in this connection that the Supreme Command of the Army had been induced to make this inquiry because of our small demands for pure toluol from the Benzol Union for the month of June. Meanwhile, as is known, even increased quantities of pure toluol have been called up for the current month and the month of August in consequence of the demands of the explosives factories which have increased again. The Supreme Command of the Army had known nothing of this at the time of its enquiry at Vermittlungsstelle W. Because of our increased demands for pure toluol, the action of the Supreme Command of the Army has become meaningless. As we learnt there in our telephonic consultation, the increased demands will, in all events, continue for several months.

(signature) illegible

Buying department Ludwigshafen  
for the attention of Dr. Schuster

(handwritten)  
Bl. -T.O. Office  
or(?) Lt. 13/7

(handwritten) Initials?

TRANSLATION OF DOCUMENT No. NI-4637  
CONTINUED

(page 2 of original)

To  
T.D. Office

I. G. Leverkusen  
Department A-factory

Leverkusen

|                |                |               |              |
|----------------|----------------|---------------|--------------|
| Your reference | Your letter of | Our reference | Date         |
|                |                | Dr. L./Sp     | 18 July 1938 |

Subject: Toluol

I request that Vermittlungsstelle W be informed that we can take over immediately 500 tons of either cleansed Toluol or pure toluol, at the rate of 50 - 60 tons per day.

A-factory

(signature) Ludwig

CERTIFICATE OF TRANSLATION

7 June 1947

I, HERBERT RODECK, No. B 397499, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of document No. NI-4637.

.....  
HERBERT RODECK, No. B 397499.

TRANSLATION OF DOCUMENT No. HI-7380  
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES

(handwritten)

Herrn Dr. BOECHLER

To the  
High Command of the Army  
Jg B 9/7 (Army Ordnance Office, Section B 9/7)  
Berlin W 35  
Birpitzufer 72/76

Dr. A/Pro. 18 May 1938

11 May 1938

We beg to acknowledge receipt of your preliminary order (Vorbescheid) for the building project of HUELS, order No. 9/7 247/0101.

On account of your last discussion with Dr. ter MEER, we have now started the construction of the chemical plants at HUELS. At present the grounds are being prepared and the canalisation system of the plant established.

With regard to the "I" - Plant project itself we beg to state that the various sections which are the responsibility of I.G. viz. Diglycol, Oxol and storehouses are already being planned in detail.

For the planning of the whole of this sector, we now require, as soon as possible, the construction plans for the esterisation plant, Mustard Gas ("Direct lost"), plant and the start-rails required in connection herewith. We asked - as you will have seen from a copy - the Luergesellschaft for the relevant drawings on 10 May and deem it advisable that you should officially influence Luor in the same direction, so that the required blueprints are placed without delay at the disposal of our construction office Buna II at Ludwigshafen. The centralisation of all building projects connected with HUELS in a central construction office is indispensable for the speedy execution of the entire HUELS project.

As soon as the details have been received from Luor, we shall definitely decide on the site for the "I" - plant and shall then be in a position to draw up estimates for fencing, levelling, rails along the roads and for works railway system (Strassen- und Werksgeleise) and the requirements of iron and steel for the construction work and technical equipment.



(Page 2 of original)

Section Buna Works

Dr. V/Pro. 18 May 1938

The hereditary construction rights (Erbbaurecht) could then also be settled speedily with your Section W.B. 10 or with the Montan-Industrie G.m.b.H..

In the letter dealing with your order you confirm having demanded 2 annual deliveries of 8000 tons each of ethylene oxide at a basic price of RM 1.10. We hope it meets with your approval that these quantities of ethylene oxide are transformed in HUELS into Diglycol and Oxol, because as you know, storage of ethylene oxide on such a scale is impossible.

We anticipate negotiations on the cover agreement or on individual contracts still to be concluded in accordance with the cover mentioned by you.

Except in the case of certain specialised work, which we must leave to certain reliable and experienced firms, we shall - as usual - invite tenders and decide according to price and quality.

In questions regarding methods of payment and price control etc., tenders, execution and final accounts concerning the construction work, we shall comply as far as possible, with your instructions and memoranda.

The entire site has been examined from the view point of anti-air raid measures. As soon as we have decided on individual building, we shall once more consult the Air Raid Protection authorities concerned.

Concerning the construction of storerooms we ask for your special advice.

I.G. FARBENINDUSTRIE AKTIENGESELLSCHAFT  
Section Buna Plants

signed: MEYER (?) signed: WENNER (?)

TRANSLATION OF DOCUMENT No. NI - 7380  
CONTINUED

CERTIFICATE OF TRANSLATION

8 August 1947

I, Leonard LAWRENCE, Civ. No. 20 158, hereby  
certify that I am thoroughly conversant with  
the English and German languages and that the  
above is a true and correct translation of  
document No. NI - 7380.

Leonard LAWRENCE  
Civ. No. 20 238

- 2a -

"END"

83

TRANSLATION OF DOCUMENT No. NI-7428  
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES

Dr. C. KRAUCH

Berlin 73, 26 August 1938  
Sackendstr. 128

(stamp):

Dr. C. KRAUCH  
Plenipotentiary of  
the Reich President  
Field Marshal Goering  
for Special Problems of  
Chemical Production

in pencil: Confirmed on 5 Sept. 1938

OV initials: IK

To

I.G. Farbenindustrie A.G.

LUDWIGSHAFEN / Rhine

Subject: Diglycol Expansion, Ethylene Experimental Plant  
Sodingen, D-L Experiments.

In accordance with the decision of Field Marshal GOERING of 22 August 1938 I give you the additional information that the building projects for diglycol expansion, ethylene experimental plant Sodingen, D-L experiments (translator's notes: direct-mustard gas Y) have been classified as pressing, urgent building projects, for which no postponement of the deadline set for their completion can be tolerated.

Field Marshal GOERING has appointed me his plenipotentiary in this sphere of work. My task is

"most emphatically to further the execution of the production programs, constantly to control the work necessary to carry this out, to remove all obstacles which might arise, as quickly as possible and to create all conditions necessary to carry on the work in accordance with instructions".

Some time ago you already received an order from the Army Ordnance Office for the expansion of the plants mentioned above.

I am responsible for the procurement of the steel, the funds and the workers as well as the supervision of the construction work.

Individual settlements with you in your capacity as trustee as well as individual allocation of steel will also in future be made in the same manner used hitherto by the High Command of the Army, Ordnance Office.

For the orders in regard to the building projects mentioned above a special code-number will be supplied, which I shall make available to you exclusively for the orders pertaining to the building projects mentioned above.

(page 2 of original)

You are responsible to me for misuse of the code-number.

The iron producing and iron processing industry has been instructed by the Control Office Iron and Steel (Ueberwachungsstelle fuer Eisen und Stahl), that all orders bearing a code-number have priority over all inland orders. In case your orders interfere with the suppliers' export orders I request you to contact me at once in order to clarify immediately the case in question with the consent of the Reich Ministry of Economics and to decide the sequence of execution.

I have erected a building staff to assist me and charged Dr. AHL with the management of the work in the field mentioned above.

Furthermore, I have commissioned Dr. Max MITTNER, Ludwigshafen/Rhine with the technical advice and supervision of all building projects in the sphere of organic-chemical preliminary products, with the consent of the High Command of the Army and the Supreme Command of the Wehrmacht. Dr. MITTNER is responsible to me for the correct planning of the output and technical procedures, and he has to provide for the technically expedient execution of the projects in regard to location and the layout of the factory. He has to advise and support you continually on the construction of the plants. Basic changes and expansions of the plants have to be discussed beforehand by you with Dr. MITTNER.

I request you to name the technician in charge whom you have charged with the construction of the plants mentioned above. He is responsible for the completion of projects at the given date and has to inform Dr. MITTNER or Dr. AHL respectively at once of possible obstacles such as delivery delays, difficulties in negotiations with the authorities etc. and keep him currently informed.

(page 3 of original)

I also should like to mention that in accordance with an order by the Field Marshal future planning will take place under my direction in close co-operation with the Wehrmacht, and I therefore request you immediately to inform me in future of any questions arising in the field of production of organic-chemical preliminary products. The questions will then be dealt with in closest collaboration with the Wehrmacht offices concerned.

Heil Hitler !

(signature) Dr. C. KRAUCH.



TRANSLATION OF DOCUMENT No. NI-7428  
CONTINUED

CERTIFICATE OF TRANSLATION

8 August 1947

I, Brigitte TURK, Civ. No. 35 130, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of the original document No. NI- 7428.

.....  
Brigitte TURK  
Civ.No. 35 130.

TRANSLATION OF DOCUMENT No. NI-7430  
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES

I.G. FARBENINDUSTRIE AKTIENGESellschaft LUDWIGSHAFEN ON RHINE

Copy

Registered

To the Office for German raw materials  
and synthetics,

Berlin W 8  
Behrenstrasse 68/70.

Second Group Dr. Ambros/Pro. 28 April 1937.

Stand-by plant Trostberg.

We acknowledge the receipt of your letter of 22 April and declare  
ourselves prepared to put our experience at your disposal for the  
extension of the stand-by plant at Trostberg, and to act as technical  
advisory office for the building operations.

In accordance with the contractual agreement, we await partic-  
ulars on the foundation of the company taking control.

I.G. FARBENINDUSTRIE AKTIENGESellschaft

signed: ter Meer

signed: Ambros

Copy To Herr Direktor Dr. ter Meer  
" " " Dr. Roth  
Building Office Buna-Werke G.m.b.H.

CARBON COPY

(page 2 of original)

Copy.

Ministerpräsident Generaloberst Goering

Commissioner for the Four Year Plan

Office for German raw materials and synthetics.

Berlin, 22 April 1937

7 IV.4 Dr. Eck(ell)/Hu.

CONFIDENTIAL.

Subject: Stand-by plant Trostberg.

To the  
Bayerische Stickstoffwerke A.G.,  
for the attention of Dr. Wildhagen,

Berlin NW 7  
Schadowstrasse 4-5.

With reference to the conversation which took place yesterday at the office, I beg to inform you that on the model of the Hardt Carbide Works my office is to build a stand-by plant in the wood between Hardt and Tacherting for the production of

500 tons of glycol per month  
300 tons of thiodiglycol per month  
1500 tons of acetic acid per month.

As proposed in the above mentioned discussion, it is envisaged when mobilization begins, as this is purely a stand-by plant, that the quantity of carbide necessary for production will be made available from the Carbide Works at Hardt to the extent of 75 - 80,000 tons.

The I.G. Farbenindustrie has already declared itself prepared to make available the plans and information necessary for the building of this plant, and is furthermore prepared to act as engineering advisory office for the building operations.

Since in yesterday's discussion you agreed to undertake the local building operations and the supervision of the building, I now request you to prepare the necessary directional plans for the further negotiations on the building contract, as arranged, so that closer contractual agreements can be arrived at as quickly as possible between the company set up by my office for this building project and yourselves.

TRANSLATION OF DOCUMENT No. HI-7430  
CONTINUED

(page 3 of original)

The plant as such, being purely a stand-by plant, will be installed with the Reich's money - closer arrangements on this will be laid down in the framework of the contracts to be concluded.

Furthermore I should like to inform you that my office plans to proceed with the further construction of this plant even in normal times, and to begin the production of carbide alcohol there. For this purpose it is proposed to install a further carbide oven in the Hardt carbide works and at the same time to lay on the necessary power for the running of the oven. On this question, however, details would have to be agreed on at a later date.

I enclose a copy of my letter to the I.G.

By order

signed: Loeb

Colonel of the General Staff  
and Department Chief.

Enclosure

(page 4 of original)

Copy.

Ministerpräsident Generaloberst Goering  
Commissioner for the Four Year Plan  
Office for German raw materials and synthetics. Berlin, 22 April 1937

Daily correspondence file number 130/37 IV.4 Dr. Eckell/Hu.

CONFIDENTIAL

Subject: Stand-by plant Trostberg.

Firm  
I.G. Farbenindustrie Aktiengesellschaft  
for the attention of Herr Direktor Dr. Ambros,  
Ludwigshafen on Rhine.

through Vermittlungsstelle V, Berlin NW 7  
Unter den Linden 82.

I enclose a copy of a letter to the Bayerische Stickstoffwerke A.G. on the stand-by plant to be built at Trostberg.

In accordance with I.G.'s promise, given to my office, to hold



TRANSLATION OF DOCUMENT No. NI-7430  
CONTINUED

(page 4 of original, cont'd)

themselves available as engineering advisory office for such plants, I request you to assist the Bayerische Stickstoffwerke in the necessary preparations.

By order

signed: Loeb

Colonel of the General Staff  
and Office Chief.

Enclosure.

(page 5 of original)

"TOP SECRET"

III/Dr. Wittwer/U.

21 April 1937.

File Memorandum

of the discussion on 21 April 1937

Subject: Plant in Trostberg.

|                       |                    |                                 |
|-----------------------|--------------------|---------------------------------|
| <u>Those present:</u> | Baurat Janisch     | Bayerische Stickstoffwerke      |
|                       | Dr. Wildhagen      |                                 |
|                       | Dr. Baur           |                                 |
|                       | Captain Dr. Boysen | Office for German raw materials |
|                       | Dr. Eckell         | and synthetics.                 |
|                       | Dr. Wirth          |                                 |
|                       | Dr. Wittwer        |                                 |

Dr. Eckell stated that a plant has been decided on in Trostberg for the "A-Fall" to produce diglycol, Oxol and acetic acid. In the "A-Fall" 80,000 tons of carbide should be commandeered for these products. The operation of the plant in peace-time is not envisaged. The carbide output capacity of the Bayerische Stickstoffwerke need not be increased, power need be laid on only in so far as it is necessary for the operation of the planned plant (chlorine factory, hydroelectrolysis etc.). The possibility will be considered, after the building projects put forward in the Four Year Plan have been carried out, of the later construction of a carbide oven with a capacity of 40,000 tons, including power, and of operating a corresponding alcohol plant in peace-time. On the basis of these statements, the Bayerische Stickstoffwerke declared that they were prepared to undertake the management of the building for this works. The Reich should found a company (chemistry project) which would conclude the building contract with the Bayerische Stickstoffwerke. Dr. Eckell explained that a directional letter would very shortly be written to the Bayerische Stickstoffwerke on the subject. In consequence of this letter

TRANSLATION OF DOCUMENT No. NI-7430  
CONTINUED

(page 5 of original, cont'd)

the Bayerische Stickstoffwerke would then approach the I.G. Farbenindustrie, which will be available as consultant engineer for the building of the plant. The wooded tract by the Hardt Carbide Works and Untergarching was planned as the site for the plant. The Bayerische Stickstoffwerke will procure ordnance surveys of this land.

(MS.:) signed: Wittwer

(page 6 of original)

Ludwigshafen, 19 April 37.  
6x

T r e s t b e r g

6,000 tons of diglycol per year  
9,600 tons of Oxol-L per year

6,000 tons of diglycol

9,600 tons Oxol-L

↑ ← 6,700 tons chlorine  
2,400,000 cubic meter  
H<sub>2</sub> (hydrogen)

7,400 tons Oxol

↑ ← 2,000 tons sulphur  
1,300,000 cubic meters  
H<sub>2</sub> (hydrogen)

6,000 tons ethylene oxide

5,600 tons ethylene oxide

11,600 tons ethylene oxide

↑

← 23,000 tons lime

22,000 tons chlorohydrin

↑

← 24,000 tons chlorine

9,500 tons ethylene

↑

18,500 tons alcohol

↑

← 13,000,000 cubic meters  
H<sub>2</sub> (hydrogen)

18,500 tons acetaldehyde

↑

37,000 tons carbide

TRANSLATION OF DOCUMENT No. HI-7430  
CONTINUED

(pages 7 and 8 of original)

Translator's note: Maps showing location of plants

Words as listed below:

Power station (Kraftwerk)

Bayerische Stickstoffwerke (BSTW)

Factory (Fabrik)

Carbide factory (Carbidfabrik)

Nitrogen of lime (Kalkstickstoff)

Ammonium plant (Ammon Betrieb)

-----

CERTIFICATE OF TRANSLATION

6 August 1947

I, Patricia WOOD, No. 20139, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of the document No. HI-7430.

Patricia WOOD  
No. 20139

- 6 -  
"END"

92

Base 6  
after Doc. 7430  
Doc. Bk. 33 (2)

TRANSLATION OF DOCUMENT No. NI-6931  
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES

I.G. BITTERFELD

Registered !

Rubber stamp:

To  
Ministerialrat Dr. BUHL,  
Legal Department,

Secretariat  
Min.-Rat a.D. Dr. BUHL  
Rec. 30 March 1939  
Answ.

Grueneburg,  
Frankfurt/Main.

Our ref.  
Works Nord  
Secretariat

29 March 1939

Subject:

Dear Dr. BUHL !

I learn that, unfortunately, a carbon copy of our letter to the High Command of the Army of 7th March 1939 was not sent to you. I attach hereto a copy of this letter and beg that you will excuse the oversight.

I shall speak to Procurist SCHNEIDER of Department C tomorrow with regard to your recommendation to allow for amortisation before settling the loan contract and the amount which would then come into question, also regarding the question of what amortisation would be chargeable if we should renounce the loan contract altogether. I shall then again inform you of the results of the discussion mentioned.

With friendly greetings,

Yours truly,

(sgd) REICH

Ø Prok. SCHNEIDER, Dept. C., Frankfurt on Main

Initialed: B



(page 2 of original)

To the

Stamp:

High Command of the Army  
Tirpitzufer 72/75  
Berlin, W. 35

1. This is a State Secret within the meaning of § 88 of the Reich Penal Code.
2. To be forwarded only under seal cover, if by post, to be registered.
3. To be kept at the responsibility of the recipient under safe lock and key.

Works Nord/Secretariat

7.3.39.

Dept. Wa B 1/IX - For attention of Major BOIE.

We refer to our visit to you on 17.2.39, and, as arranged, beg to submit to you attached the reasons which impelled us in August/September 1938 to undertake the extension of our Tablet manufacture and to apply to Wa B 3 II b to take over the costs of the extension through the OKH (High Command of the Army). We explained to you during our visit that we had applied to Dept. Wa B 3 II b regarding the taking over of the costs, as this was the only department we knew of as competent for the erection of new buildings in the interests of National Defence, and at the discussion at that office on 6. September 1938, we were invited by Department Wa B 3 II to submit the application.

Since, as we learned, our application only reached you in January 1939, it is understandable that you considered the increase of our Tablet production no longer necessary, as, of course, more were already being manufactured. The preparations for the extension of the works were, however, already made in August, 1938, and must be judged in relation to that period. As we believed from the negotiations with Wa B 3 II b that the installation costs would undoubtedly be met by the OKH, we considered it our duty in view of the existing tension in the foreign political situation, to proceed immediately with the extension work. We would request you to reconsider the matter once more from this point of view.

(page 3 of original)

In reply to the suggestion made by you during our verbal discussion, to write off the installation costs over a period of some 10 years, we should like to say that this procedure is not practicable for us, as, in the first place, we have no guarantee that the orders will last for so long a time and the sum expended in advance be compensated to us, and, in the second place, we cannot obtain the invested capital for this and numerous other building projects on the capital market, which of course is closed. We would request you, therefore, to give your decision as proposed in our draft contract of 9 November 1938.

(Initialed: R) I.G. FARBENINDUSTRIE AKTIENGESELLSCHAFT  
Signed: LANG Signed: KRASSEL

1 enclosure

(page 4 of original)

Enclosure to Letter of 2.3.39.

Nord Works      7 March 1939.      1  
Dr.R./H.

Subject: Reasons for Erection of a new building for the purpose of increasing the production facilities for Losantine Tablets, also for the Mobilization Project (Hobfall)

After the Production and Examination Group 9 (Abt. Ia Prw 9) had at the end of 1935, declared itself in agreement with our proposal to use Losantin tablets instead of Losantin powder for the troops, a room measuring about 100 m<sup>2</sup>, available in Bitterfeld Nord Works, was accordingly, in view of the urgency with which the Tablets were required, equipped with 3 Tablet machines and a filling machine and Tablet-production was begun in the second half of the month of January. The first order assigned to us on 9 December 1935 was for 7,5 million Tablets, and a second order, for 102,5 million Tablets, was received on 30 July 1936. The initial production, or delivery, was, in accordance with the delivery time given to us, 300,000 Tablets daily. At the end of 1936, we were asked to increase daily production to 500,000. In order to comply with this demand, it was necessary to acquire another Tablet machine. Subject to the approval of the Industrial Supervisory authorities, we intimated our willingness to instal a fourth press. The permission of the Industrial Council stipulated "the near future". By the setting up of the fourth press, we increased our monthly capacity from about 7,5 million to 10 - 12 million Tablets, according to whether we were allowed to include Sunday shifts. In this period we received repeated enquiries from our Vermittlungsstelle, Berlin, regarding the possibility of increased production of Tablets and the question of our point of view concerning the mobilization project was also broached. We let our Vermittlungsstelle know that, for increased production, we should have to have another workshop and more machines. Up to the end of 1936, all negotiations were conducted with the Department Ia B 3 II b. On 30 January 1937, there was a discussion in Department Ia B 1/IX with

(page 5 of original)

Captain BODE and Captain SCHUIZ. On this occasion, besides our production facilities for Losantine 12, the possibility of Tablet manufacture was also discussed. He stated that, with a 16-hour working day, about 10 million tablets could be produced monthly, but that this production could be increased by the provision of a suitable room and the setting up of further machines, as we had already intimated through our Vermittlungsstelle. The production costs would, of course, have to be recalculated to include the costs thereby incurred. In the discussion of 30 January 1937, Captain SCHUIZ expressly indicated that any enlargement should also take into account the requirements of the Mobilization Project. The orders on hand at this time amounted to about 110 million tablets which were to be delivered by 30 September 1937. The actual delivery date was 31.8.1937. A statement

(page 5 of original, cont'd)

which was made to us on the occasion of a further consultation with the Department Wa B 1/IX and the frequent indications of our Vermittlungsstelle - W held out the prospect of still more important and urgent orders for Losantine tablets. When finally our Vermittlungsstelle - W informed us that Department Wa B 1/IX would, in the event of mobilization, count on production by us of 30 million Tablets and we could even now expect orders running into millions, we began testing a new Tablet manufacturing process taking into account the figures given to us. We considered this all the more necessary, as Department Wa B 3 II b had, with our assistance, ordered machines which, with our delivery capacity, would cover the whole mobilization project requirements. Smaller intermediate orders and special orders of the Chief Veterinary Dept and the Chief Medical Dept were additional and necessitated new packing machines, for which there was absolutely no place in the old room. On this account and in consideration of the ever more critical political situation, we thought it advisable to proceed with an extension of the Tablet production and thereby also provide room and machinery for the mobilization project.

(page 6 of original)

In the meantime such great inroads had been made in the financial means of our firm by numerous new constructions, that our Vorstand had to decline to bear the cost of this erection from our own funds. As Department Wa B 3 II b was, to our knowledge, the competent authority for the construction of new buildings with official funds, we called on Ministerialrat Dr. ZAHN, on the first occasion on 6 September 1938, and later at the beginning of October, 1938, in order to discuss with him the taking over of the installation costs by the OKH. The costs were calculated in round figures at RM. 80,000. The discussion resulted in the decision that it was possible for the OKH to take over these costs. A further discussion on this matter took place in Berlin, on 13 October 1938, between Department Wa B 3 II b, the chief of our Legal Department, Ministerialrat Dr. BUEHL, and Director Dr. LANG as manager of the Nord Werke, which resulted in the decision, that, in consequence of the local soil conditions, the erection of a factory as property of the OKH was not practicable, and the raising of a loan was chosen as the more suitable method for the erection of this factory. The conditions were laid down in broad lines and our Legal Department agreed to work out a draft contract, which was submitted on 9 November 1938.

From the beginning of our negotiations with the Department Wa B 3 II b, on 6 September 1938, we were under the impression that there was no doubt about the money being available, but that the only question was as to which method would be the most suitable for the transaction, and we had no hesitation, during the critical autumn days of last year, in starting immediately on the work of extension, even although the formal conclusion of the negotiations had not yet been reached. On our part, the enlargement was materially justified by the fact that the removal carried out in October from the old workroom to the new workroom, occasioned no interruption, in spite of the absence of the expected auxiliary packing machinery. Rather it was possible, besides the current orders of the OKH for 90 and 70 million tablets, to proceed also with the orders for the

(page 7 of original)

Chief Veterinary Depot and the Chief Medical Depot, and further to maintain the old monthly delivery for you, without having to apply to the Industrial Supervisory Authorities for permission for Sunday work. The uninterrupted arrival of the auxiliary machinery allowed us, already in January, to attain 1,4 million packets, each containing 10 tablets, and in February 1,6 million packets, and we count on producing 2,5 million packets in the month of March. Accordingly, the Order 1/IX-148.3540 for 70 million tablets will be delivered in the first half of May and the works will have shown that they are equal to the mobilization project demands devolving upon us.

I.G. FARBENINDUSTRIE AKTIENGESELLSCHAFT

(signed) LANG

(signed) KRUSEL



(page 8 of original)

REGISTERED

Stamp:

1. This is a State Secret within the meaning of § 83 of German Criminal Law
2. Transfer under sealed cover, if sent by post to be registered.
3. To be kept at the responsibility of the recipient under safe lock and key.

Armament Office of the Army,  
Attention of Ministerialrat  
Dr. ZAHN,  
Berlin-Charlottenburg,  
Jebenstrasse 1.

Losantine Tablets

..-Nr. 675/664

Secretariat Dr. BUEHL 5 August 1939.

As you are aware, we extended our Losantine Tablet works in Bitterfeld by the addition of new plant, at the urgent request of the OKH (Army High Command) in autumn, 1938, for which we expended an amount of RM. 80,000. In the repeated discussions which we have had on this matter with the Army Ordnance Office (HWA), the last of which was on the 13th October, 1938, it was intended that these installation costs of RM. 80,000 should be raised by a loan from the Wehrmacht Treasury to be paid off within 5 years, and accordingly we sent to you on 9 November, 1938, a draft contract, on which we have not yet received your comments. As we have already, for a considerable time, been making deliveries to the Army Ordnance Office (HWA), the clearing up of the price question is a matter of urgency. This settlement, however, depends on the form of the contractual relations to the Reich, or more precisely on the regulation of the amortisation.

In order to come to this settlement as soon as possible, we are prepared to do without a loan from the Reich for the installation costs and to finance the plant ourselves, provided that we are allowed the amortisation of the plant in the same period as was arranged in our various discussions and, accordingly, also in the draft of a loan contract drawn up by us on the 9th November, 1938, namely, in a period of five years, reckoned from the completion of the plant. On the calculation of an annual capacity of about 250 million Tablets, this would, given full employment for five years, provide for an amortisation rate of RM. 0.064 per 1,000 tablets.

(page 9 of original)

We have already submitted to the Army Price Control Office (I-Preispruef-Heer) appropriate documents containing these amortisation calculations and we would request you kindly to confirm to us or the Army Price Control Office (I-Preispruef-Heer) that you are in agreement with this amortisation settlement.

TRANSLATION OF DOCUMENT No. NI-6931  
CONTINUED

(page 9 of original, cont'd)

Should the plant, for want of sufficient orders, be stopped before full amortisation has taken place, a settlement will have to be made at a later date between ourselves and the Wehrmacht Exchequer regarding the remainder of the amortisation amount not covered, that will take into account the point of view that the plant was built exclusively at the wish and in the interests of the Army Ordnance Office.

I.G. FARBENINDUSTRIE AKTIENGESellschaft  
(sgd) BUHL (sgd) SCHWEIDER

Ø Dr. BUENGIN, Bitterfeld  
Dir. KLAUS, Ffm.  
Vermittlungs Stelle, Berlin.

CERTIFICATE OF TRANSLATION

16 June 1947

I, John FOSBERRY, No. 20179, hereby certify that I am thoroughly conversant with the English and German languages and that the above is a true and correct translation of the document No. NI-6931.

John FOSBERRY  
No. 20179

case 6  
end of book 2  
Goe. 13k. 33

TRANSLATION OF EXCERPTS OF DOCUMENT NO.  
NI-6170, OFFICE OF CHIEF OF COUNSEL FOR  
WAR CRIMES

ERRATA-SHEET

Page 11, last sentence of the English translation of excerpts  
of document No. NI-6170 should read:

The supplier of dinitromethylaniline however is no longer  
the I.G. plant Ludwigshafen, but the I.G. plant for inter-  
mediate products in Frankfurt-Griesheim.

-----

Errata-sheet prepared by:

JOHN J. EOLL  
U.S. Civilian  
AGO-No. A-444412

- E N D -

94

TRANSLATION OF EXCERPTS FROM DOCUMENT No. NI-6170  
OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES

(page 1 of original )

Report of the figures for 1936 by the Department

(Referat) for Raw Material Supplies.

Reich Office for Military Economic Planning

December 1938



( page 2 of original )

A presentation of the quantities involved in the supply of goods essential to mobilization, in peace-time, is an indispensable prerequisite for the drawing-up of military economic mobilization plans. In view of the multitude of military economic unknowns, the quantity of which will become evident only in war-time, it is naturally impossible to make definite plans beforehand. However, a statistical survey of peace-time supplies does at least furnish an essential clue. The figures should convey as exactly as possible just such a picture of the supply situation in peace-time. At this point, when the drawing up of practical economic plans for mobilization (Mobilization) are only just beginning, it would seem advisable to make a critical review of the statistical work for 1936, and indeed of the figures themselves.

.....

( page 43 of original )

.....

### 3. Trinitrotoluene (Trotyl)

.....

TRANSLATION OF EXCERPTS FROM DOCUMENT No. NI-6170  
CONTINUED

( page 44 of original)

.....

a) Trinitrotoluene production in 1936.

The production of trinitrotoluene was carried out in the following four works in 1936:

| Place                    | Total production |           | Basic compounds    |                  | Yield in % of total age of production the theoretical maximum | Percentage of total |
|--------------------------|------------------|-----------|--------------------|------------------|---|---------------------|
|                          | Pure             | raw       | Mononitro- toluene | Dinitro- toluene |   |                     |
|                          |                  |           | kg                 |                  |   |                     |
| Kruemmel<br>Dynamit AG   | 3 552 277        | -         | 2 421 120          | -                | 88,5  | 15,3                |
| Schlebusch<br>Dynamit AG | 7 716 667        | 1 438 278 | 6 376 190          | -                | 91,6  | 38,4                |
| Doernitz<br>Dynamit AG   | 3 102 040        | -         | 2 228 959          | -                | 84,8  | 13,3                |
| Schoenebeck<br>Lignese   | 7 424 733        | -         | 4 960 640          | 7 624 902        | 90,2  | 32,0                |
|                          | 21 795 717       | 1 438 278 | 15 986 909         | 7 624            |   |                     |

(page 45 of original)

The main production centers in 1936 were Leverkusen-Schlebusch and Schoenebeck, each of which produced more than Kruemmel and Doernitz together.

Mononitrotoluene was used almost exclusively as the basic compound (merely 7,624 kilograms of dinitrotoluene in Schoenebeck). The total production of trinitrotoluene amounted in 1936 to 21,796 tons pure and 1,438 tons raw. In addition to this, 15 987 tons

TRANSLATION OF EXCERPTS FROM DOCUMENT No. NI-6170  
CONTINUED

( page 45 of original cont'd)

mononitrotoluene were needed. Thus with a production of 17 933 tons of mononitrotoluene about 90% go into the production of trinitrotoluene. Taking into consideration the fact that 1, 117 tons of mononitrotoluene were exported, the explosives factories consumed 95% of the inland goods. The nitrogeneration plants for mononitrotoluene ( intermediary product factories) could consequently be claimed as part of the apparatus for the manufacture of trinitrotoluene. The following works were in question:

| Place   | Production of mononitrotoluene<br>Kilograms | Export |
|---|---|--------|
| Leverkusen<br>I.G. Farben A.G. 10 474             |   | 675    |
| Frankfurt-<br>Griesheim<br>I.G. Farben A.G. 7 387 |   | 409    |
| Saarnau<br>Silesia 72                             |   | 33     |

(page 46 of original)

.....

b) Trinitrotoluene production in 1937.

In 1937, the total production of trinitrotoluene rose to 41,884,585 kilograms, corresponding to an increase of 77,4% as against the previous year. Production is divided amongst the following works:

TRANSLATION OF EXCERPTS FROM DOCUMENT No. NI-6170  
CONTINUED

(page 46 of original cont'd)

| Place                                    | Production |         | Basic compounds  |              | Estimated yield expressed in %age of theoretical maximum. | Exploitation of output capacity. | Total production expressed in % trinitrotoluene, pure. |
|--|------------|---------|------------------|--------------|---|----------------------------------|--|
|  | pure       | raw     | Mononitrotoluene | Toluene pure |   |                                  |  |
| Kilograms                                |            |         |                  |              |   |                                  |  |
| Elm/Se.<br>Wasg                          | 9453150    | -       | 6587040          | -            | 86,6  | 73%                              | 23,8   |
| Leverkusen-<br>Schlebusch<br>Dynamit .G. | 7379982    | 2078529 | 6818720          | -            | 68,2  | 73%                              | 19,9   |
| Deemitz<br>Dynamit<br>.G.                | 7939285    | -       | 4567620          | 804 690      | 83  | 66%                              | 20,0   |
| Kruemmel<br>Dynamit<br>.G.               | 7834009    | -       | 161840           | 3917254      | 80  | 65%                              | 19,8   |
| Schoenebeck<br>Lignose<br>G.m.b.H.       | 6563240    | 150550  | 4351 040         | 478020       | 85  | 86%                              | 16,5   |
|  | 39669666   | 2229079 | 22186260         | 55199964     |   |                                  |  |

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TRANSLATION OF EXCERPTS FROM DOCUMENT No. NI-6170  
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CONTINUED  
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( page 47 of original)

The following chart provides a survey of the distribution of the output of Tetryl in the works in production and the stand-by plants.

Output capacity in 1937 - alternatively - with full exploitation of all available production plants with continuous production.

- 168-hour week -

| Place  | Capacity<br>for trinitrotoluene,<br>pure | Expressed in<br>%age of the<br>total capacity | Estimated Mo-<br>nonitrotoluene<br>requirements | Estimated<br>requirements<br>of toluene,<br>pure |
|--|--|---|---|--|
|  | <u>t</u>                                 |   | <u>t</u>  | <u>t</u>   |
| <u>Elsnig</u><br><u>Wesag</u>  | 13 000                                   | 14,7  | 9 100   | -  |
| <u>Dammitz</u><br><u>Dynamit</u><br><u>A.G.</u>                          | 12 000                                   | 13,5  | -   | 6 500  |
| <u>Kruemmel</u><br><u>Dynamit</u><br><u>A.G.</u>                         | 12 000                                   | 13,5  | -   | 6 500  |
| <u>Leverkusen-</u><br><u>Schlebusch</u><br><u>Dynamit</u><br><u>A.G.</u> | 10 800                                   | 12,2  | 7 700   | -  |
| <u>Schoenebeck</u><br><u>Lignos</u>                                      | 7 800                                    | 8,9   | 5 600   | -  |
| <u>Clunthol-</u><br><u>feld</u><br><u>Dynamit</u><br><u>A.G.</u>         | 12 000                                   | 13,5  | -   | 6 500  |

TRANSLATION OF EXCERPTS FROM DOCUMENT No. NI-6170  
CONTINUED

( page 47 of original cont'd )

| Place  | Capacity<br>for trini-<br>trotoluene,<br>pure | Expressed in<br>%age of the<br>total capaci-<br>ty | Estimated Mo-<br>nitrotoluene<br>requirements | Estimated<br>requirements<br>of toluene,<br>pure |
|--|---|--|---|--|
|  | t   |  | t   | t  |
| Hessisch-<br>Lichtenau<br>Dynamit<br>A.G.      | 12 000  | 13,5   | -   | 6 500  |
| Frankfurt-<br>Griesheim<br>I.G. Farben<br>A.G. | 9 000   | 10,2   | -   | 4 900  |
|  | 88 600  |  | 22 400  | 30 200   |

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( page 48 of original )

4. Trinitrobenzene

.....

a) Conditions of production in the year 1936

Production of tribenzene in 1936 was carried out solely  
in the chemical plant.

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TRANSLATION OF EXTRACTS FROM DOCUMENT NO. RI-6170  
CONTINUED

(page 48 of origin 1 cont'd)

b) Conditions of production in the year 1937

In 1937 also, the sole producer of tribenzene was the Kraemmel plant.

.....

( page 49 of origin 1)

5. Trinitrophenol (Picric acid)

.....

( page 50 of origin 1)

a) Production of Picric acid in the year 1936

Picric acid was produced in two factories, namely Welffen and Doemitz.

|                  |                  |
|------------------|------------------|
| <u>Welffen</u>   |                  |
| I.G. Farben A.G. | 567 tons (crude) |
| <u>Doemitz</u>   |                  |
| Dynemit A.G.     | 280 tons (pure)  |

.....

( page 51 of origin 1)

Of the amount produced (567 tons), 352 tons were delivered to the Kraemmel plant. The rest went to the coal-tar dyestuffs industry.

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TRANSITION OF EXCERPTS FROM DOCUMENT No. NI-6170  
CONTINUED

( page 51 of original cont'd)

In the second plant producing picric acid, the Doemitz plant belonging to Dynamit AG, 280 tons of picric acid were produced from 265 tons of dinitrophenol, i.e. 85% of the theoretical yield. Of the entire production of pure trinitrophenol (595 tons), 470 tons were converted by explosives factories into plastic compounds. The rest was warehoused and amounted at the end of 1936 to 161 tons.

.....

b) Production of picric acid in the year 1937

Crude picric acid was produced solely in Wölfen (as had been the case since 1936)

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( page 52 of original)

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The 320 678 kg of pure picric acid produced in 1937 were entirely produced in the Doemitz plant.

.....

The production capacity of the picric acid factories in Germany amounted to 4 800 000 kg pure acid and 1 000 000 kg crude. This was spread over the following three plants:

| Place  | Trinitrophenol pure<br>tons | Trinitrophenol crude<br>tons | Basic compound | Percentage of<br>total capacity |
|--|-----------------------------|------------------------------|----------------|---------------------------------|
| Hessisch-Lichtenau<br>Dynamit A.G.<br>Stand-by plant | 3 000                       | -                            | pure phenol    | 62,5                            |



TRANSLATION OF EXCERPTS FROM DOCUMENT No. NI-6170  
CONTINUED

( page 52 of original cont'd )

| Place                            | Trinitro-phenol pure tons | Trinitrophenol crude tons | Basic compound | Percentage of total capacity |
|----------------------------------|---------------------------|---------------------------|----------------|------------------------------|
| Eastman Chemnitz<br>Dynamit A.G. | 1 800                     | -                         | pure phenol    | 37,5                         |
| Wolfen<br>I.G. Farben<br>A.G.    | 1 -                       | 1 000                     | dinitrophenol  | 100                          |

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( page 53 of original )

7. Tetranitroethylaniline  
[ Tetryl ]

.....

a) Production in the year 1936

.....

Tetryl was manufactured in Troisdorf and Reinsdorf.

( page 54 of original )

| Place     | Production kg. | Percentage of theoretical yield | Alternative production capacity in 1936 kg. | Capacity utilized |
|-----------|----------------|---------------------------------|---|-------------------|
| Troisdorf | 141 436        | 81                              | 300 000                                     | 47%               |
| Reinsdorf | 2 200          | 2%                              | 72 000                                      | 3%                |

- 10 -

TRANSLATION OF EXCERPTS OF DOCUMENT No. NI-6170  
CONTINUED

( page 54 of original cont'd)

b) Production in the year 1937

The production of tetryl amounted to 224 997 kg in 1937, corresponding to a rise in production of 56% in comparison with the preceding year. Of the two plants producing tetryl, i.e. Troisdorf and Reinsdorf, Troisdorf alone was responsible for 92% of the total output, or 207 830 kg, while in Reinsdorf only 17 147 kg of tetryl were produced.

. . . . .

The following chart gives an outline of the production in 1937, raw materials utilized, production capacity in 1937, and utilized capacity.

| Place     | Tetryl, Raw material<br>produc-<br>tion in<br>1937         | Percentage<br>of total<br>output | 1937<br>capacity | Percentage<br>utilized |
|-----------|--|----------------------------------|------------------|------------------------|
| Troisdorf | 207 830 kg (Dimethylaniline<br>(Dinitromethy-<br>laniline) | 92                               | 390 000          | 53                     |
| Reinsdorf | 17 147 kg Dimethylaniline                                  | 8                                | 72 000           | 24                     |

A point to be noted in connection with the Troisdorf plant is the partial change-over in the raw material used, that is, from dimethylaniline to dinitromethylaniline. This in the estimate of the output-capacity at 390 tons per year, dinitromethylaniline as preliminary product was used as a basis for calculation. The supplier of dinitromethylaniline however is no longer the I.G. plant for intermediate products in Frankfurt-Griesheim.

(page 55 of original)

8. Hexanitrodiphenylamine  
(Hexyl "Hexamine")

a) Production during 1936

The only producer in question is the Reinsdorf Works. Production amounted to 153,453 kg., all of which was processed to casting loads in the connected plant. Dinitrodiphenylamine (109,250 tons) was the raw material. The Ludwigshafen I.G. Works deliver the dinitrodiphenylamine.

(page 56 of original)

9. Trimethylene trinitramine  
(Hexogen)

a) Production in 1936

Primary production amounted to altogether 23,472 kg. Hexogen was produced in the Rottweil Works, I.G. Farben A.G. (1,577 kg.) and Wolfgang, Dynamit A.G. (14,895 kg.)

b) Production in 1937

In 1937 the total hexogen production amounted to 111,442 kg. It was still only produced at the Wolfgang and Rottweil Works.

(page 57 of original)

The hexogen produced was not sold. Small quantities were used merely for internal experiments. Therefore, all the stocks are still on hand, not only in Wolfgang, but also in Doemitz, Muegendorf and Kruesmel.

Primary production at the Rottweil Works was able to be increased from 1,577 kg. to 33,700 kg., of which 21,856 kg. was sold and the remainder put in stock. The alternate yearly capacity in 1937 was 60,000 kg. and can be increased during 1938 to 75,000 kg. if the plants about to start operation are taken into account. Rottweil, too, is an experimental plant the exact capacity of which has not been determined.

(page 58 of original)

10. Nitropentaerythritol  
(Fenthrit)

(page 59 of original)

a) Production in 1936

In 1936, primary production of Nitropentaerythritol amounted to 359,443 kg.; of this amount, 190,849 kg. were processed immediately in locally connected explosives factories; 115,497 kg. were used in the Works of Coswig (93,211 kg.), Empelde (13,493), Kruemmel (9,210 kg.) for compressed charges; 30 tons were stored and the remaining 23 tons were used by igniter factories. Production was carried out in the following three works:

| Location                       | Production<br>primary | Percentage<br>of total<br>production | Consumption<br>of Pentaery-<br>thritol | % of actual<br>production<br>as against<br>theoretical<br>maximum | Capacity<br>in<br>1936 |
|--------------------------------|-----------------------|--------------------------------------|--|---|------------------------|
|                                | kg.                   |                                      | kg.                                    |   | kg.                    |
| <u>Troisdorf</u><br>Dynamit AG | 199,891               | 55,6                                 | 91,462                                 | 94,1  | 540,000                |
| <u>Kruemmel</u><br>Dynamit AG  | 97,815                | 27,2                                 | 46,835                                 | 90  | 300,000                |
| <u>Reinsdorf</u><br>Wesag      | 61,737                | 17,2                                 | 28,910                                 | 92  | 62,000                 |



TRANSCRIPTION OF EXTRACTS FROM DOCUMENT No. NI-6176  
CONTINUED

(page 60 of original)

| Place                   | Nitro<br>Penta<br>erythri-<br>te pro-<br>duction | Expressed in<br>% of total<br>production | quantity<br>of penta<br>erythri-<br>te used | yield ex-<br>pressed in<br>% of theore-<br>tical maximum | alter-<br>native<br>produc-<br>tion<br>capaci-<br>ty 1937 | percen-<br>tage of<br>maximum<br>produc-<br>tion ca-<br>pacity |
|-------------------------|--|--|---|--|---|--|
|                         | <u>kg</u>  |  | <u>kg</u>                                   |  | <u>kg</u>   |  |
| Troisdorf<br>Dynamit AG | 354163   | 41,1                                     | 160 157                                     | 95,1   | 550 000   | 64   |
| Reinsdorf<br>Wasag      | 301879   | 35,1                                     | 136 689                                     | 95,1   | 320 000   | 94   |
| Kruemmel<br>Dynamit AG  | 204450   | 23,8                                     | 94 730                                      | 92,9   | 450 000   | 45   |

The Reinsdorf plant whose share in total production had amounted to no more than 17,2 % in 1936 had been able to increase that share to 35.1 %. Total penta erythrite consumption of the three plants amounted to 391 576 kg. Yield both at Troisdorf and Reinsdorf expressed in % of theoretical maximum amounted to 95.1 %. The nitrogenation plants for nitro penta erythrite had been expanded, especially at Reinsdorf and Kruemmel. Production capacity at Reinsdorf had been increased from 62 200 kg to 320 000 kg and from 300 000 kg to 450 000 kg at Kruemmel.

The production capacity at Kruemmel of 450 t could only be maintained for a period of 9 months, because the pentaerythrite plant had been destroyed by an explosion in 1937 having been functioning for 9 months.

According to information received from the factory the new plant would commence operation in September. The production capacity of this new plant would amount to 150 tons per month or 1 800 tons per annum which was three times the production capacity of the nitro penta erythrite plant destroyed by explosion in 1937.

TRANSITION OF EXCERPTS FROM DOCUMENT No. NI-6170  
CONTINUED

( page 61 of original)

Alternative production capacity at Reinsdorf would be increased to 1 275 000 kg in the course of the year 1938. Working on the basis of the prospective of the plants on 31 December 1938 the total alternative production capacity per annum of the three plants would amount to 3 850 000 kg, being distributed as follows:

| Place                     | Production capacity as on<br>31 December 1938 | Penta erythrite re-<br>quirements |
|---------------------------|---|-----------------------------------|
| Kriemmel<br>Dynamit I.G.  | 1 800 000 kg                                  | 834 000                           |
| Reinsdorf<br>Wasag        | 1 500 000                                     | 679 000                           |
| Troisdorf<br>Dynamit I.G. | 550 000                                       | 250 000                           |
|                           | 3 850 000                                     | 1 763 000                         |

Penta erythrite production in

1937

The total production of penta erythrite amounted to 498 044 kg in 1937. In the year 1937, too, the whole of the production of penta erythrite was still carried out in the Iw Zone (danger zone); i.e. 74% at Ludwigshafen I.G. Farben (368 980 kg), 26% (129 064 kg) by Sieg at Mainz-Kombach.

At Ludwigshafen 342 180 kg were sold, 3 877 to foreign markets. Of the quantities sold on the home market (approx. 338 t) 292 t went to explosives plants.

TRANSLATION OF EXCERPTS FROM DOCUMENT No. NI-6170  
CONTINUED

( page 68 of original )

d) Germany's nitrocellulose production in 1936.

Total production of nitrocellulose in 1936 amounted to 30 921 697 kg, being distributed between the following 7 plants:

| Place   | Total nitro cellulose<br>production | Quantities used        |                |
|---|-------------------------------------|------------------------|----------------|
|   |                                     | for gunpowder          | for explosives |
|   |                                     | kg                     |                |
| <u>Reinsdorf</u><br>Wassag.....                               | 14 483 062                          | 11 266 379             | 48 192         |
| <u>Eilenburg</u><br>Deutsche Celluloid-<br>Fabrik A.G.....    | 7 536 348                           | 4 159 153              | 167 114        |
| <u>Troisdorf</u><br>Dynamit A.G., vorm.<br>A. NOBEL u.Co..... | 5 184 432                           | 3 644 224              | -              |
| <u>Bomlitz</u><br>WOLFF & Co.....                             | 2 579 905                           | 2 153 398              | -              |
| <u>Speyer</u><br>Celluloidfabrik<br>SPEYER.....               | 767 950                             | -                      | -              |
| <u>Eilenburg</u><br>Celluloid-Werke,<br>Paul WEISSNER....     | 330 000                             | 1 137 950<br>i.e. 3,7% | -              |
| <u>Schepisdorf</u><br>A.HAGEDORN & Co., A.G.                  | 40 000                              | -                      | -              |

TRANSLATION OF EXCERPTS FROM DOCUMENT No. NI-6170  
CONTINUED

(page 69 of original )

21 223 154 kg i.e. 69.3% of the total production of nitro cellulose went into the manufacture of gunpowder and explosives. The remaining 9 483 237 kg were used for the production of celluloid (4 584 641), glues and lacquers and other technical purposes (3 143 342 kg), raw foil (Rehfolien) (1 294 989 kg) and artificial leather (460 265 kg).

( page 72 of original )

d) Nitrocellulose production in 1937.

Total production of nitrocellulose in 1937 amounted to 41 436 371 kg, involving an increase of 34%. The following 9 plants took part in production:

| Place   | Total nitro cellulose production | for gunpowder | for explosives |
|---|----------------------------------|---------------|----------------|
|   |                                  | kg            |                |
| <u>Reinsdorf</u><br><u>Wasag</u>                    | 15 310 959                       | 12 414 164    | 38 268         |
| <u>Eilenburg</u><br><u>Deutsche Celluloidfabrik</u> | 12 913 344                       | 8 568 569     | 174 729        |
| <u>Treisdorf</u><br><u>Dynemit A.G.</u>             | 7 336 034                        | 5 321 167     | -              |
| <u>Borsitz</u><br><u>WOLFF &amp; Co.</u>            | 4 152 501                        | 3 564 006     | -              |
| <u>Kruemmel</u><br><u>Dynemit A.G.</u>              | 1 369 895                        | 1 369 895     | -              |



TRANSLATION OF EXCERPTS FROM DOCUMENT No. NI-6170  
CONTINUED

( page 72 of original cont'd )

| Place                           | Total nitro<br>cellulose<br>production | for gunpowder | for explosives |
|---------------------------------|--|---------------|----------------|
|                                 |  | kg            |                |
| Speyer<br>Celluloidfabrik       | 909 650                                | -             | -              |
| Eilenburg<br>Dermatoid-Werke    | 350 000                                | -             | -              |
| Schepisdorf<br>A.H.G. DOPN & Co | 70 299                                 | -             | -              |

( page 73 of original )

production of nitro cellulose  
31 237 801 kg i.e. 73.6 % of the total/were used in the manufacture of  
gun cotton, and 212 997 kg i.e. 0.5% for explosives: "Gun cotton"  
("Pulverwolle") production had been increased by 47.2% as compared with  
last year. 10 961 884 kg i.e. 25.8 % of nitro cellulose were used in  
the manufacture of celluloid (5 060 365 kg), of Lacquers and glues  
(3 374 215 kg) raw foil (1 797 108 kg), and artificial leather  
(730 196 kg).

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The consumption of raw cellulose by individual plants is shown in  
the following diagram:

TRANSLATION OF EXCERPTS FROM DOCUMENT No. NI-8170  
CONTINUED

( page 73 of original cont'd )

| Place           | Raw lin-<br>ters | bleached lin-<br>ters | bleached<br>sulfite<br>cellulose | other<br>cellulose<br>raw<br>materials | total  |
|-----------------|------------------|-----------------------|----------------------------------|--|--------|
| Reinsdorf.....  | 1 222            | 1 125                 | 8 043                            | -                                      | 10 390 |
| Eilenburg.....  | 2 922            | 342                   | 5 497                            | -                                      | 8 761  |
| Troisdorf.....  | -                | 1 139                 | 3 775                            | -                                      | 4 914  |
| Bomlitz.....    | -                | 790                   | 2 251                            | -                                      | 3 041  |
| Kruemmel.....   | -                | -                     | -                                | 926                                    | 926    |
| Speyer.....     | -                | 624                   | 22                               | -                                      | 646    |
| Eilenburg.....  | 128              | 43                    | 109                              | -                                      | 280    |
| Schepisdorf.... | -                | 48                    | -                                | 2                                      | 50     |

TRANSLATION OF EXCERPTS FROM DOCUMENT No. NI-6170  
CONTINUED

(page 74 of original)

2. Nitroglycerine

(page 77 of original)

Manufacture of Nitroglycerine 1936

| LOCATION  | I<br>Consump-<br>tion of<br>Dynamite<br>Glycerine | II<br>Produc-<br>tion of<br>Nitrogly-<br>cerine | IIa<br>% of<br>Reich<br>total | III<br>yield<br>expres-<br>sed in<br>%-age<br>of the<br>orectic-<br>al max-<br>imum | IV<br>Alternat-<br>ive capa-<br>city<br>within 1<br>year by<br>utiliz-<br>ing all<br>available<br>produc-<br>tion<br>plants<br>of 1936<br>in con-<br>tinuous<br>shift-<br>work | V<br>Quantity<br>of gly-<br>cerine<br>requir-<br>ed under<br>utiliza-<br>tion of<br>total<br>output-<br>capaci-<br>ty bas-<br>ed on<br>produc-<br>tion<br>figures<br>for 1936 | Va<br>% of<br>output<br>capa-<br>city<br>utilis-<br>ed in<br>1936 |
|---|---|---|-------------------------------|---|--|---|---|
|   | kg.   | kg.   |                               |   | kg.  | kg.   |   |
| <u>Krusmehl</u><br>Dynamit AG                                     | 1.308.250   | 3.034.116                                       | 29,2                          | 94,03   | 7.200.000  | 3.105.000   | 42,1  |
| <u>Reinsdorf</u><br>Wasag   | 1.263.716   | 2.973.326                                       | 28,6                          | 95,39   | 4.320.000  | 1.836.000   | 68,8  |
| <u>Sythen, Ges.</u><br>Haltern/<br>Westf.<br>Wasag                | 675.682   | 1.592.158                                       | 15,4                          | 95,54   | 3.360.000  | 1.426.000   | 47,4  |
| <u>Leverkusen-<br/>Schlebusch</u><br>Dynamit AG                   | 573.076   | 1.344.258                                       | 12,9                          | 95,11   | 7.200.000  | 3.070.000   | 18,7  |
| <u>Muergerdorf-<br/>Burbach</u><br>Dynamit AG                     | 265.691   | 623.594   | 6,0                           | 95,16   | 8.640.000  | 3.680.000   | 7,2   |
| <u>Kruppmuehle</u><br>Lignose<br>Sorengstoff<br>Werke<br>G.m.b.H. | 208.980   | 484.425   | 4,7                           | 93,98   | 3.196.000  | 1.380.000   | 15,2  |

TRANSLATION OF EXCERPTS FROM DOCUMENT No. NI-6170  
CONTINUED

(page 77 of original, cont'd)

| LOCATION   | I      | II      | IIa | III   | IV        | V       | Va   |
|--|--------|---------|-----|-------|-----------|---------|------|
| <u>Saarwellingen</u><br>Dynamit AG                                     | 61.923 | 143.441 | 1,4 | 93,92 | 1.200.000 | 520.000 | 12,0 |
| <u>Gnaschwitz</u><br>Sprengstoff-<br>u. Zuendschnur-<br>Werke A.G.     | 48.470 | 112.043 | 1,1 | 94,51 | 1.001.000 | 430.000 | 11,3 |
| <u>Schoenebeck/</u><br><u>Elbe</u><br>Lignose<br>Sprengstoff-<br>werke | 16.302 | 38.882  | 0,4 | 96,70 | 540.000   | 226.000 | 7,2  |
| <u>Kietz</u><br>Deutsche<br>Sprengchemie                               | 13.650 | 32.500  | 0,3 | 96,54 | 338.000   | 142.000 | 10,0 |



TRANSLATION OF EXCERPTS FROM DOCUMENT No. NI-6170  
CONTINUED

(page 78 of original)

Manufacture of Nitroglycerine 1937

| LOCATION   | I<br>Consump-<br>tion of<br>Glycerine | II<br>Produc-<br>tion of<br>Nitrogly-<br>cerine | IIa<br>% of<br>Reich<br>total | III<br>Yield<br>expres-<br>sed in<br>%-age<br>of the-<br>oretic-<br>al max-<br>imum | IV<br>Alternat-<br>ive ca-<br>pacity<br>168 hour-<br>week<br>1937 | V<br>Quantity<br>of dyna-<br>mite<br>glycerine<br>required<br>with<br>full uti-<br>lization<br>of 1937<br>output<br>capacity | VI<br>% of<br>output<br>capaci-<br>ty<br>utiliz-<br>ed |
|--|---------------------------------------|---|-------------------------------|---|---|--|--|
|  | kg.                                   | kg.   |                               |   | kg.   | t.   |  |
| <u>Kruemmel</u><br>Dynamit AG                                  | 1.136.544                             | 2.627.494                                       | 25,8                          | 93,8  | 6.480.000   | 2.800  | 41   |
| <u>Reinsdorf</u><br>Wasag                                      | 902.229                               | 2.117.997                                       | 21,6                          | 95,2  | 5.940.000   | 2.530  | 36   |
| <u>Leverkuse-</u><br><u>Schlebusch</u><br>Dynamit AG           | 561.444                               | 1.316.293                                       | 13,4                          | 95,1  | 7.200.000   | 3.060  | 18   |
| <u>Klietz</u><br>Deutsche<br>Sprengchemie                      | 406.070                               | 944.917   | 9,6                           | 94,8  | 6.277.600   | 2.700  | 15   |
| <u>Muergerdorf</u><br>Dynamit AG                               | 402.230                               | 942.279   | 9,6                           | 95,0  | 7.200.000   | 3.060  | 13   |
| <u>Sythen</u><br>Wasag   | 394.699                               | 926.314   | 9,5                           | 95,2  | 4.200.000   | 1.790  | 22   |
| <u>Kruppmuehle</u><br>Lignose                                  | 238.118                               | 554.342   | 5,7                           | 94,4  | 3.196.000   | 1.380  | 17   |
| <u>Saarwellingen</u><br>Dynamit AG                             | 95.734                                | 223.518   | 2,3                           | 94,3  | 2.000.000   | 870  | 11   |
| <u>Gnaschwitz</u><br>Sprengstoff-<br>und Zuend-<br>schnurwerke | 46.509                                | 107.257   | 1,1                           | 93,5  | 2.121.600   | 920  | 5  |
| <u>Schoonebeck</u><br>Lignose                                  | 17.077                                | 40.831  | 0,4                           | 96,9  | 540.000   | 230  | 8  |

(page 79 of original)

3. Nitrodiglycol

(page 80 of original)

b) Manufacture of Nitrodiglycol in 1936 and 1937

In 1936 production of nitrodiglycol amounted to only 148.311 kilograms. The Dynamitwerk Kruemmel was the only producer.

In 1937 production increased to 3.916.657 kilograms, i.e., <sup>that</sup> more than 26 times as high as in 1936. The following chart gives a survey for each plant of the consumption of diglycol, production of nitrodiglycol, percentage of the Reich total, degree of exploitation, alternative production capacity for 1937, <sup>the</sup> degree of production capacity actually utilized, and estimated diglycol requirements.

| Location                         | I                       | II                          | IIa              | III   | IV                                  | V   | Va                     |
|----------------------------------|-------------------------|-----------------------------|------------------|---|-------------------------------------|---|------------------------|
|                                  | Consumption of Diglycol | Production of Nitrodiglycol | % of Reich total | Yield expressed in % of theoretical maximum | Alternative yearly capacity in 1937 | Estimated Diglycol requirement with full utilization of output capacity | % of the capacity used |
|                                  | kg.                     | kg.                         |                  |   | t.                                  | t.  |                        |
| <u>Klitz</u><br>Sprengchemie     | 985.640                 | 1.651.670                   | 42               | 90,6  | 6.106                               | 3.830   | 25,8                   |
| <u>Kruemmel</u><br>Dynamit AG    | 722.960                 | 1.216.750                   | 31               | 91  | 3.600                               | 2.140   | 33,8                   |
| <u>Reinsdorf</u><br>Masag        | 508.000                 | 856.609                     | 22               | 92,2  | 1.958                               | 1.150   | 44,2                   |
| <u>Muergendorf</u><br>Dynamit AG | 108.825                 | 182.628                     | 5                | 90,8  | 720                                 | 430   | 15,1                   |
| <u>Gythen</u><br>Masag           | -                       | -                           | -                | -   | 4.200                               | 2.470   | 9                      |

TRANSLATION OF EXCERPTS FROM DOCUMENT No. WI-6170  
CONTINUED

(page 81 of original)

c) Production of Diglycol in 1937

The production of diglycol which in 1936 was carried out exclusively in Ludwigshafen, i.e. in the Aw-district, should be further safeguarded through the start of operation of the Wolfen plant in 1937. The total production of diglycol in 1937 amounted to 2,491,023 kilograms. Of these 2,489,323 kilograms were sold; the explosives factories received 2,434,849 kilograms of that quantity, of which they then employed 2,325,425 kilograms in the manufacture of nitro-diglycol. The remainder (109,424 kilogram) was stored.

The following chart is a survey of capacity as well as production of diglycol in the two I.G. plants:

| Location   | Production<br>1937 | % of<br>Reich<br>total | Capacity<br>1937 | % of ca-<br>pacity<br>used | Capacity<br>according<br>to the<br>condition<br>of the<br>plant on<br>31 Dec.<br>1938 | % of<br>Reich<br>total |
|--|--------------------|------------------------|------------------|----------------------------|---|------------------------|
|  | kg.                |                        | t.               |                            | t.  |                        |
| <u>Wolfen</u><br>I.G. Farben-<br>industrie       | 1,563,523          | 63                     | 2,400            | 65%                        | 3,600   | 40                     |
| <u>Ludwigshafen</u><br>I.G. Farben-<br>industrie | 927,500            | 37                     | 1,800            | 51%                        | 5,400   | 60                     |

TRANSLATION OF EXCERPTS FROM DOCUMENT No. HI - 3170  
CONTINUED

(page 82 of original)

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4. Stabilizers  
.....

(page 83 of original)

The following stabilizers were mainly used:

|  |             |               |               |
|--|-------------|---------------|---------------|
| 300 t Centrolit I (Diethylphenyl urea) | Main users: | Duenenberg    | 184 t         |
|  | Reinsdorf   | 38 t, Kruemel | 2 t, Rottweil |
|  | Sythen      | 24 t, Elitz   | 1 t, Bonlitz  |
| 50 t Stabilit (Diphenyl urea seyl.)    | " "         | Reinsdorf     | 27 t          |
|  |             | Duenenberg    | 21 t          |
|  |             | Sythen        | 5 t           |
| 115 t Diphenyl urethane                | " "         | Reinsdorf     | 115 t         |
| 303 t Ethylphenyl urethane             | " "         | Reinsdorf     | 300 t         |
|  |             | Sythen        | 3 t           |

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ANNUAL REPORT OF THE UNITED STATES GEOLOGICAL SURVEY  
NO. 1170  
WASHINGTON

(page 84 of original)

| Location                                      | Powder<br>mass | Tube<br>powder | Ring<br>powder | Shot<br>powder | Plate<br>powder | Cube<br>powder | Other Nitro-<br>glycerine<br>powder | Total     |
|---|----------------|----------------|----------------|----------------|-----------------|----------------|-------------------------------------|-----------|
| Kilogram                                      |                |                |                |                |                 |                |                                     |           |
| <u>Reinsdorf</u><br>Masag                     | 787,166        | 5,887,047      | 765,403        | 1,770,863      | -               | 44,300         | 9,702                               | 9,266,066 |
| <u>Kruessol</u><br>Dynamit A.G.               | 5,128,196      | -              | -              | -              | -               | -              | -                                   | 5,128,196 |
| <u>Sythen</u><br>Masag                        | 2,521,457      | -              | -              | -              | -               | -              | -                                   | 2,521,457 |
| <u>Duenckow</u><br>Dynamit A.G.               | -              | 2,459,050      | 460,175        | 1,995,015      | 162,300         | -              | 23                                  | 5,077,068 |
| <u>Klitz</u><br>Deutsche<br>Sprong-<br>chemie | -              | 753,376        | -              | 834,135        | -               | -              | -                                   | 1,587,511 |

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TRANSLATION OF EXCERPTS FROM DOCUMENT No. PI - 6170  
CONTINUED

(page 88 of original)

4. Nitroglycol

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c) Glycol

..... The ethylene required for the manufacture of glycol is either obtained from coking gases (Oberhausen-Molten, Ruhrchemie) or from ethyl alcohol (Ludwigshafen, I.G. Farben).

In Oberhausen-Molten, the ethylene extracted from the coking gases is processed via ethylene chloride and ethylene chlorohydrin to ethylene oxide, during which glycol (95 t) occurs as a by-product. The ethylene oxide obtained is not processed further but sent to Ludwigshafen.

(page 89 of original)

Glycol production in Ludwigshafen amounted to 5,109 tons, i.e., 96% of total production. For this, about 4,000 tons of ethylene oxide was needed and was partly obtained from Oberhausen-Molten and partly made from ethylene alcohol itself. Of the glycol production, (5,109 t), 2,465 tons (48%) were sold as radiator fluid, and 795 tons (16%) were exported.

In Wolfen, 199 tons glycol were produced, 180 t of which were manufactured through saponification of ethylene chloride and 19 t of which as ethylene oxide in the glycol plant. Of the glycol production (199 t), 113 t were sold as radiator fluid; 38 t were used in the manufacture of compound solvents.

The following chart lists the production and capacity of both works:

| Location                               | Production | Capacity<br>1937 | Production Capacity<br>according to facilities<br>available on 31 Dec 38 |
|--|------------|------------------|--|
|  |            | t                |  |
| <u>Ludwigshafen</u><br>I.G. Farbenind. | 5,109      | 8,400            | 12,000   |
| <u>Wolfen</u><br>I.G. Farbenind.       | 199        | 2,620            | 4,050  |
|  | 5,308      | 11,020           | 16,050   |

According to information from I.G. Farbenindustrie 3,300 t of Wolfen's facilities are met by the Di-glycol plant.

In 1937, the explosives industry used altogether 977 tons of glycol, i.e. 18.4% of the total production.

TRANSLATION OF EXTRACTS FROM DOCUMENT No. HI-6170  
----- CONTINUED -----

( Page 90 of original)

- b) Production of nitroglycerine powder according to the Cordit type and acetone as solvent.

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Nitroglycerine powder was produced in 5 plants. From the following list locations and production quotas for each type of powder can be seen.

Chart

1936 Production of Nitroglycol

( page 91 of original)

| Locations  | I               | II                        | IIa                  | III  | IV  | V   | Va                                    |
|--|-----------------|---------------------------|----------------------|--|---|---|---------------------------------------|
|  | Glycol<br>Input | Nitroglycol<br>Production | % of total<br>output | Yield ex-<br>pressed in<br>%age of<br>theoretical<br>max | Alternative annual<br>production ca-<br>pacity by utili-<br>zing all avail-<br>able plants for<br>1936 in continu-<br>ous shift | quantity of<br>Glycol re-<br>quired if ca-<br>pacity is fully<br>utilized | Percentage<br>of capacity<br>utilized |
|  | kilos           | kilos                     |                      |  | tons  | tons  |                                       |
| <u>Hofmann-<br/>Lorenz<br/>Dynamit A.G.</u>            | 304 579         | 703 230                   | 61,6                 | 94,2   | 7 200   | 3 118   | 9,8                                   |
| <u>Wergendorf-<br/>Burbach<br/>Dynamit A.G.</u>        | 101 973         | 239 132                   | 21,0                 | 95,6   | 8 640   | 3 684   | 2,8                                   |
| <u>Kraussol<br/>Dynamit A.G.</u>                       | 44 180          | 99 621                    | 3,7                  | 92,0   | 7 200   | 3 193   | 1,4                                   |
| <u>Saarlouis<br/>Dynamit A.G.</u>                      | 27 320          | 63 014                    | 5,5                  | 94,1   | 1 200   | 520   | 5,3                                   |
| <u>Wiesdorf<br/>Wesag</u>                              | 8 502           | 1, 433                    | 1,7                  | 93,2   | 4 320   | 1 890   | 0,4                                   |
| <u>Krupp-<br/>Lignosol-<br/>Spreng-<br/>stoffwerke</u> | 3 398           | 7 733                     | 0,7                  | 92,8   | 3 196   | 1 405   | 0,2                                   |



TRANSLATION OF EGYPTIAN DOCUMENT NO. 5170  
CONTINUED

( page 91 of original cont'd )

| Locations   | I               | II                        | IIIa          | IIIb   | IV  | V   | Va                                    |
|---|-----------------|---------------------------|---------------|--|---|---|---------------------------------------|
|   | Glycol<br>Input | Nitroglycol<br>Production | % of<br>total | Yield ex-<br>pressed in<br>%age of<br>theoretical maxi-<br>mum | Alternative annu-<br>al production ca-<br>pacity by utili-<br>zing all availab-<br>le plants for<br>1936 in continu-<br>ous shift | quantity of<br>Glycol re-<br>quired if ca-<br>pacity is fully<br>utilized | Percentage<br>of capacity<br>utilized |
|   | kilos           | kilos                     |               |  | tons  | tons  |                                       |
| <u>Praschwitz</u><br>Sprengstoff- und<br>Zündschnur-Werke | 3 039           | 7 051                     | 0,6           | 94,6   | 1 001   | 431   | 0,7                                   |
| <u>Sythen</u><br>Masag                                    | 960             | 2 311                     | 0,2           | 93,2   | 3 360   | 1 400   | 0,1                                   |

( page 93 of original cont'd )

e) Nitroglycol Production in 1937

The total production of nitroglycol amounted to 2 259 709 kilos, i.e. 98% more than in the preceding year. Production was carried out by 9 plants. The plants are listed below. Glycol consumed, nitroglycol production, yield expressed in percentage of theoretical maximum, alternative production capacity for 1937, capacity utilized and glycol requirements for full utilization of capacity are listed separately for each individual plant.

TRANSLATION OF EXCERPTS FROM DOCUMENT No. HI-6170  
CONTINUED

( page 93 of original cont'd)

| Locations                             | I               | II                      | IIIa                  | IIIb  | IV                            | V  | VIa                         |
|---------------------------------------|-----------------|-------------------------|-----------------------|---|-------------------------------|--|-----------------------------|
|                                       | Glycol consumed | Nitro-glycol Production | % of total production | Yield expressed in % of theoretical maximum | Alternative capacity for 1937 | Glycol requirements for full utilization of capacity | Percentage of capacity used |
|                                       | Kilos           | Kilos                   |                       |   | tons                          | tons   |                             |
| <u>Leverhausen-<br/>Dynamit A.G.</u>  | 425 962         | 935 257                 | 43,6                  | 94,3  | 7 200                         | 5 120  | 13,7                        |
| <u>Morgendorf<br/>Dynamit A.G.</u>    | 179 170         | 411 579                 | 13,6                  | 95,5  | 7 200                         | 3 080  | 5,8                         |
| <u>Krupp<br/>Dynamit A.G.</u>         | 107 620         | 243 221                 | 10,7                  | 92,2  | 6 480                         | 2 870  | 3,8                         |
| <u>Reinsdorf<br/>Wesag A.G.</u>       | 107 035         | 243 565                 | 11,0                  | 94,7  | 5 940                         | 2 560  | 4,2                         |
| <u>Sythen<br/>Wesag A.G.</u>          | 78 610          | 130 632                 | 8,0                   | 95,8  | 4 200                         | 1 830  | 4,3                         |
| <u>Saerwollingen<br/>Dynamit A.G.</u> | 46 036          | 107 714                 | 4,8                   | 96,3  | 2 000                         | 860  | 5,4                         |
| <u>Krupp<br/>Lignoso</u>              | 26 421          | 60 763                  | 2,7                   | 95,8  | 3 196                         | 1 390  | 1,9                         |

( page 93 of original cont'd )

| Locations   | I                    | II                                  | IIIa                     | IIIb   | IV                                  | V   | VIa                            |
|---|----------------------|-------------------------------------|--------------------------|--|-------------------------------------|---|--------------------------------|
|   | Glycol consu-<br>and | Nitro-<br>glycol<br>produc-<br>tion | % of Reich<br>production | Yield<br>expressed in<br>%age of the-<br>oretical ma-<br>ximum | Alternative<br>capacity for<br>1937 | Glycol requiremnt.<br>for full utilization<br>of capacity | Percentage of<br>capacity used |
|   | kilos                | kilos                               |                          |  | tons                                | tons  |                                |
| <u>Gaschwitz</u><br>Sprengstoff-<br>und Zünd-<br>schwarzwerke | 5 666                | 13 758                              | 0,6                      | 95,7   | 2 121                               | 910   | 0,6                            |
| <u>Kietz</u><br>Sprengwerke                                   | -                    | -                                   | -                        | -  | 6 000                               | 2 600   | 0                              |
| <u>Schoenberg</u><br>Lignoso                                  | -                    | -                                   | -                        | -  | 540                                 | 240   | 0                              |



TRANSLATION OF EXCERPTS FROM DOCUMENT NO. 100-100  
CONTINUED

( page 94 of original )

5. Dinitrochlorhydrin.

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In 1936 the production of dinitrochlorhydrin (by nitrating monochlorhydrin) amounted to 247 tons, of which 10 tons were exported. 240 tons were converted into explosives. Production was carried out in the following 3 plants:

| Location                  | Monochlorhydrin used | Dinitrochlorhydrin Production | Alternative annual capacity for 1936 | percentage of theoretical maximum yield |
|---------------------------|----------------------|-------------------------------|--------------------------------------|---|
|                           | kilos                | kilos                         | kilos                                |   |
| Reinsdorf<br>Dynamit A.G. | 100 099              | 178 396                       | 4 320 000                            | 178,2                                   |
| Krupp<br>Lignose          | 22 830               | 40 280                        | 2 404 000                            | 176,4                                   |
| Sythen<br>Wasag           | 15 767               | 27 831                        | 3 360 000                            | 176,5                                   |

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( page 95 of original )

In 1937 total production of dinitrochlorhydrin amounted to 44,171. The following list gives a survey of the production for 1937:

TRANSLATION OF EXCERPTS FROM DOCUMENT No. NI-7170  
CONTINUED

( page 95 of original cont'd)

| Location     | Monochlohydrin<br>Used | Production of<br>Dinitrochlohydrin<br>Kilos | 1937<br>Capacity<br>tons |
|--------------|------------------------|---|--------------------------|
| Reinsdorf    | 1 726                  | 3 350                                       | 6 480                    |
| Kruppemuhele | 20 482                 | 35 737                                      | 2 424                    |
| Sythen       | 3 060                  | 5 384                                       | 4 200                    |

( page 99 of original)

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1. Nitrocellulose Powder

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( page 100 of original)

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Four factories are engaged in the production of nitrocellulose powder, the locations and productions of which can be seen from the following list.

TRANSLATION OF EXCERPTS FROM DOCUMENT No. MI-6170  
CONTINUED

( page 100 of original cont'd)

| Locations                       | Flake Powder | Perforated Powder | Hunting Powder | Other Powders | Nitrocellulose Powder Total |
|---------------------------------|--------------|-------------------|----------------|---------------|-----------------------------|
|                                 | Kilograms    |                   |                |               |                             |
| Reinsdorf<br>Wasag              | 3 628 665    | 2 149 870         | 3 229          | 95 655        | 5 877 427                   |
| Rottweil<br>I.G. Farben<br>A.G. | 1 929 170    | -                 | 48 655         | 450 090       | 2 427 905                   |
| Boelitz<br>WOLFF &<br>Co.       | 1 215 400    | 323 500           | 66 174         | 128 800       | 1 733 874                   |
| Hasloch n.H.<br>Pulverfabrik    | 293 275      | 24 749            | 40 187         | -             | 358 211                     |

TRANSITION OF EXCERPTS FROM DOCUMENT N-6170  
CONTINUED

( page 101 of original )

The production of nitro cellulose powder in Reinsdorf alone constitutes 56,5 % of the total production,

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( page 103 of original )

Production capacity - alternatively -

in the case of full utilization of all available production installations, round-the-clock operation.

- 168 hour week -

a) in 1936

| Location  | Flake powder | Perforated powder<br>thickness<br>of wall<br>1 - 2 cm | Perforated powder<br>thickness<br>of wall<br>2 - 5 cm | Nitro cellulose-<br>saltpetre powder |
|-----------|--------------|---|---|--------------------------------------|
|           |              | kg  |   |                                      |
| Reinsdorf | 7 200 000    | 7 200 000   | 9 000 000   | 480 000                              |
| Rottweil  | 2 145 000    | -   | -   | 280 000                              |
| Bomlitz   | 1 260 000    | 180 000   | 480 000   | 180 000                              |
| Hesloch   | 700 000      | 100 000   | -   | -                                    |

b) for one year, including all plants, which will start operation in 1937



TRANSLATION OF EXCERPTS FROM DOCUMENT No. NI-6170  
CONTINUED

( page 103 of original cont'd )

| Locations                                      | Flake powder | Perforated powder thickness of wall 1 - 2 cm | Perforated powder thickness of wall 2 - 5 cm | Nitro cellulose-saltpetre powder |
|--|--------------|--|--|----------------------------------|
| Reinsdorf.....                                 | 7 200 000    | 7 200 000                                    | 9 000 000                                    | 480 000                          |
| Rottweil.....                                  | 3 970 000    | -  | -  | 280 000                          |
| Bomlitz.....                                   | 1 260 000    | 2 880 000                                    | 2 880 000                                    | 180 000                          |
| Hasloch .....                                  | 700 000      | 100 000                                      | -  | -                                |
| Hoschwig,<br>Kr. Witttemberg<br>Sprengchemie.. | 1 995 000    | -  | -  | -                                |

c) for one year, based on the prospective development of the plants on 31 December 1937

| Location      | Flake powder | Perforated powder thickness of wall 1 - 2 cm | Perforated powder thickness of wall 2 - 5 cm | Nitro cellulose-saltpetre powder |
|---------------|--------------|--|--|----------------------------------|
| Reinsdorf.... | 7 200 000    | 7 200 000                                    | 9 000 000                                    | 480 000                          |
| Rottweil..... | 3 300 000    | -  | -  | 300 000                          |
| Bomlitz.....  | 1 260 000    | 4 080 000                                    | 4 080 000                                    | 180 000                          |
| Hasloch.....  | 700 000      | 100 000                                      | -  | -                                |
| Hoschwig..... | 3 600 000    | -  | -  | -                                |

TRANSLATION OF EXCERPTS FROM DOCUMENT No. NI-6170  
CONTINUED

( page 119 of original)

Ignition explosives

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1. Mercury fulminate

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( page 120 of original)

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a) Production ratio in 1936

The production of mercury fulminate amounted to 58 357 kilograms in 1936. The production work was carried out in the following plants:

| Location   | Mercury fulminate | Percentage of total production | Theoretical percentage of utilisation quota | Alternative capacity 1936 | Utilisation of capacity |
|--|-------------------|--------------------------------|---|---------------------------|-------------------------|
|  | kg                |                                |   | kg                        |                         |
| Seemmerda/Sa.<br>Selve-Kronbier-<br>gel-Dornheim | 19 824            | 34                             | 93,7  | 31 716                    | 63%                     |
| Troisdorf<br>Dynamit F.G.                        | 9 801             | 16,8                           | 88  | 14 701                    | 67%                     |
| Reinsdorf<br>Haseg                               | 9 799             | 16,8                           | 91,3  | 30 000                    | 33%                     |
| Lavrkusen<br>I.G. Farben<br>A.G.                 | 9 400             | 16,3                           | 91,1  | 30 000                    | 32%                     |

TRANSLATION OF EXCERPTS FROM DOCUMENT No. NI-6170  
CONTINUED

( page 120 of original cont'd)

| Location  | Mercury<br>fulminate | Percentage<br>of total<br>production | Theoreti-<br>cal percen-<br>tage of<br>utilisation<br>quota | Alternati-<br>ve capaci-<br>ty 1936 | Utilization<br>of capaci-<br>ty |
|---|----------------------|--------------------------------------|---|-------------------------------------|---------------------------------|
|   | kg                   |                                      |   | kg                                  |                                 |
| <u>Stadeln</u><br>Dynamit A.G.  | 3 900                | 6,7                                  | 86,7  | 12 300                              | 32%                             |
| <u>Groetztingen</u><br>i. Baden<br>Deutsche Waf-<br>fen u. Muniti-<br>onsfabriken<br>A.G. | 3 500                | 6,6                                  | 91,8  | 25 928                              | 14%                             |
| <u>Siebenlehen</u><br>Vereinigte Zuen-<br>der- und Kabel-<br>werke A.G.                   | 1 340                | 2,3                                  | 88,2  | 33 750                              | 4%                              |
| <u>Schoenebeck</u><br>Lignose   | 694                  | 1,1                                  | 62,5  | 4 000                               | 17%                             |

( page 121 of original)

2. Acids (Azide)

( page 122 of original)

Production ratio in 1936

The works of Troisdorf, Empele and Schoenebeck are engaged in the production of peroxide of lead. Quantities produced are shown on the following chart:

TRANSLATION OF EXCERPTS FROM DOCUMENT No. NI-6170  
CONTINUED

( page 122 of original cont'd)

| Location  | Production<br>of peroxide<br>of lead<br>kg | Percentage<br>of total<br>production | Alternative ca-<br>pacity per year<br>1936<br>kg | Utilised<br>capacity |
|---|--|--------------------------------------|--|----------------------|
| Troisdorf<br>Dynamit A.G.   | 33 197                                     | 86,5                                 | 49 795   | 65,7%                |
| Emelde<br>Dynamit A.G.  | 4 210                                      | 11,0                                 | 6 315  | 66,7%                |
| Schoenebeck<br>Patronen-<br>Zuendhuetchen-<br>und Metallwa-<br>renfabrik A.G. | 275  | 2,5                                  | 12,460   | 7,8%                 |
|   | 38 387                                     |                                      | 68 590   |                      |



(page 123 of original)

3. Lead trinitro resorcinate (Tricinate)

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Production conditions in 1936

The total production of Tricinate amounted to 57,511 kilograms in 1936. Production took place in the following works:

| Place   | Tricinate<br>Production | Expressed in<br>%age of<br>the total pro-<br>duction | Alternative<br>capacity<br>for 1936 | Exploitation<br>of out-<br>put capacity | Alternative<br>yearly capacity accord-<br>ing to po-<br>sition on<br>31 December<br>1937 |
|---|-------------------------|--|-------------------------------------|---|--|
|   | kg                      |  | kg                                  |   | kg   |
| <u>Stadeln/Bayern</u><br>Dynamit A.G.                                   | 30 000                  | 52,2   | 107 000                             | 28%                                     | 107 000  |
| <u>Treisdorf</u><br>Dynamit A.G.  | 24 871                  | 43,2   | 37 304                              | 66,7%                                   | 60 000   |
| <u>Empelde</u><br>Dynamit A.G.  | 1 684                   | 2,9  | 2 526                               | 66,7%                                   | 2 526  |
| <u>Groetzinger</u><br>Dtsch. Waffen-<br>und Munitions-<br>fabriken A.G. | 460                     | 0,8  | 3 600                               | 12,8%                                   | 7 200  |
| <u>Soemmerda</u><br>Selva-Kronbie-<br>gel-Dornheim                      | 426                     | 0,7  | 50 000                              | 1,0%                                    | 50 000   |
| <u>Siebertleben</u><br>Vereinigte Zuen-<br>der u. Kabelwerke<br>A.G.    | 70                      | 0,1  |                                     |   |  |
|   | 57 511                  |  | 200 432                             |   | 226 726  |

(page 123 of original)

3. Lead trinitro resorcinate (Tricinate)

.....

Production conditions in 1936

The total production of Tricinate amounted to 57,511 kilograms in 1936. Production took place in the following works:

| Place   | Tricinate<br>Production | Expressed in<br>%age of<br>the total<br>production | Alternative<br>capacity<br>for<br>1936 | Exploitation<br>of out-<br>put capacity | Alternative<br>yearly capacity<br>according to<br>position on<br>31 December<br>1937 |
|---|-------------------------|--|--|---|--|
|   | kg                      |  | kg                                     |   | kg   |
| <u>Stadeln/Bayern</u><br>Dynamit A.G.                                   | 30 000                  | 52,2   | 107 000                                | 28%                                     | 107 000  |
| <u>Troisdorf</u><br>Dynamit A.G.  | 24 271                  | 43,2   | 37 304                                 | 66,7%                                   | 60 000   |
| <u>Emelde</u><br>Dynamit A.G.   | 1 684                   | 2,9  | 2 526                                  | 66,7%                                   | 2 526  |
| <u>Groetzingen</u><br>Dtsch. Waffen-<br>und Munitions-<br>fabriken A.G. | 460                     | 0,8  | 3 600                                  | 12,8%                                   | 7 200  |
| <u>Soemmerda</u><br>Salvo-Kronbie-<br>gel-Dornheim                      | 426                     | 0,7  | 50 000                                 | 1,0%                                    | 50 000   |
| <u>Siebertleben</u><br>Vereinigte Zuen-<br>der u. Kabelwerke<br>A.G.    | 70                      | 0,7  | -                                      | -                                       | -  |
|   | 57 511                  |  | 200 432                                |   | 226 726  |

( page 124 of original)

### 5. T e t r a z i n e

Tetrazine is a new ignition explosive which can be used as a substitute for fulminating mercury particularly in rust-proof fuse mechanisms (partly in combination with Tricinate).

.....

#### Production conditions in 1936

Tetrazine production amounted to 3 551 kilograms. It took place in the following works:

| <u>Place</u>  | <u>Production</u><br><u>kg</u> | <u>Expressed in percentage</u><br><u>of the total production</u> |
|---|--------------------------------|--|
| <u>Stadeln</u><br>Dynamit A.G.....  | 2 400                          | 67,6   |
| <u>Empelde</u><br>Dynamit A.G.....  | 842                            | 23,7   |
| <u>Schoenebeck</u><br>Patronen- u. zuendhuetchen-<br>metallwarenfabriken A.G. | 150                            | 4,2  |
| <u>Troisdorf</u><br>Dynamit F.G.....  | 89                             | 2,5  |
| <u>Groetzinger</u><br>Deutsche Waffen- und<br>Munitionsfabrik A.G.....        | 58                             | 1,7  |
| <u>Soemmerda</u><br>Selva-Kronbiegel-Dorn-<br>heim.....                       | 12                             | 0,3  |
|   | 3 551                          |  |

TRANSLATION OF EXCERPTS FROM DOCUMENT No. NI-6170  
CONTINUED

( page 125 of original )

6. Lead picrate

The lead picrate is used as a fuse mechanism in electric fuses. The production amounted to 218 kilograms in 1936. The producers were the Treisdorf works (185 kilograms), Schoenebeck (23 kilograms) and the Pyrotechnical Laboratory W.NOF in Dorsten in Westphalia (10 kilograms).

CERTIFICATE OF TRANSLATION

4 November 1947

We, Patricia E.C. WOOD, ETO No. 20139, Arthur C. MCNEIL, Civ. No. 20191, Leonard J. L. PENCE, ETO No. 20138, Samuel S. HORN, AGO No. 443113, Guenter K. WEBER, ETO No. 35268, Julius J. STEUER, AGO No. 442654, Brigitte TURK, ETO No. 35130, hereby certify that we are duly appointed translators for the German and English languages and that the above is a true and correct translation of the document No. NI-6170.

Patricia E.C. WOOD  
ETO No. 20139

Arthur C. MCNEIL  
Civ. No. 20191

Leonard J. L. PENCE  
ETO No. 20138

Samuel S. HORN  
AGO No. 443113

Guenter K. WEBER  
ETO No. 35268

Julius J. STEUER  
AGO No. 442654

Brigitte TURK  
ETO No. 35130



Case 6  
end of book 33  
for 12k 33 6

COPY OF DOCUMENT NO. NI-12740  
OFFICE OF THE CHIEF OF COUNSEL  
FOR WAR CRIMES

AFFIDAVIT

1. I, OTTO HEILBRUNN, ETO 30140, OCCWC, after having been warned that I will be liable to punishment for making false statements, herewith declare the following of my own free will and without coercion:

2. On 21 November 1947 there was marked for identification as Prosecution Exhibit 1573, Transcript Page 4153, certain voluminous audit reports of Dynamit A.G. This affidavit is being submitted in lieu of processing these voluminous audit reports and accordingly the appropriate excerpts of such reports which are relevant to the inquiry are annexed hereto as exhibits to this affidavit as follows:

(1) The audit reports of Dynamit A.G. were submitted to the I. G. Central Bookkeeping Department, which in turn transmitted copies to the CEA Office, the Central Finance Administration of Berlin NW 7, and to Dr. Gajewski. From 1940, Dr. Schmitz received copies which prior thereto went to Dr. Bosch. This appears from excerpts of the following letters which accompanied the audit reports and such excerpts are annexed hereto as Exhibit-A as follows:

10 September 1936  
8 October 1937  
12 October 1938  
24 August 1939  
5 November 1940  
31 October 1941  
18 January 1943  
27 October 1943

(2) In the audit reports of DAG, a detailed breakdown was set forth as to the nature of the DAG production. A consolidated excerpt of the type of breakdown indicated in such audit reports is annexed hereto as Exhibit-B.

(3) In the audit reports of DAG the activities of DAG subsidiary corporation, Verwertchemie, are set forth and annexed hereto as Exhibit-C are excerpts of the various audit reports referring to the activities of Verwertchemie, namely:

Report of 1937, Page 48

Report of 1938, Page 12-4 (listing the plants  
operated by Verwertchemie)

Report of 1938, Page 50, et seq (setting forth the  
financial transactions between a Reichsagency,  
the DAG, and Verwertchemie)

(4) In addition to the information about Verwertchemie indicated in item 3 above, the audit reports for the years 1935 to 1942 disclose the financial accounts between DAG and Verwertchemie, and annexed hereto as Exhibit-D is a consolidated statement covering those years indicating the state of the accounts between Verwertchemie and DAG.

(5) The audit reports also show the voting rights of I. G. Farben in the DAG for the period from 1935 through 1939 as follows:

|      |   |                |
|------|---|----------------|
| 1935 | - | 56.06 per cent |
| 1936 | - | 57.67 per cent |
| 1937 | - | 57.80 per cent |
| 1938 | - | 57.80 per cent |
| 1939 | - | 58.84 per cent |

95

COPY OF DOCUMENT NO. NI-12740  
CONTINUED  
OFFICE OF CHIEF OF COUNSEL FOR  
WAR CRIMES

(6) The above audit reports of DAG also contained reports on the affiliated companies of DAG, the so-called Munition Group, which was comprised of the following companies: Gustav Genschow Co., A.G.; Carl Bauer & Co.; G.C. Dornheim A.G.; Selve-Kronbiegel-Dornheim A.G.; Hruby & Co.; Patronen-Zuendhuetchen und Metallwerenfabrik A.G., vormals Sellier & Bellot. Annexed hereto as Exhibit-E are excerpts of letters of 17 September 1936, 11 October 1937, 12 October 1938, and 21 December 1939, disclosing those facts.

(7) In addition to receiving the audit reports of DAG, I. G. Farben received the audit reports for Verwertchemie for 1935, 1936, and 1937 as indicated below. The following excerpts annexed hereto as Exhibit-F, namely:

Audit Report of 1935, Page 1

Audit Report of 1935, Pages 1 and 2

Excerpts of transmittal letters of 10 September 1936,  
8 October 1937, and 12 October 1938,

establish that fact.

3. I have carefully read each of the 3 pages of this affidavit and hereby declare under oath that it is the whole truth, to the best of my knowledge and belief. And I further declare that the excerpts of the audit reports which are annexed hereto in this affidavit as exhibits are true and correct copies of the documents therein mentioned.

/s/ Dr. Otto Heilbrunn  
Civilian, ETO 30140  
Office of Chief of Counsel  
for War Crimes

Sworn to before me this 28th day of November 1947.

/s/ Morris Amchen  
Attorney, AGO D-229649  
Office of Chief of Counsel  
for War Crimes

A CERTIFIED TRUE COPY

Exhibit A

F.A.G. Farbenindustrie Aktien-Gesellschaft, Frankfurt (Main) 20

| Our reference.                                 | Date:     | Page: |
|--|-----------|-------|
| Central Book-<br>keeping Department<br>No. 123 | 10-9-1936 | 1     |

Geheimrat Professor Dr. Bosch  
Director Dr. Gajewski  
Office of the Technical Committee  
Central Finance Administration  
Finance Secretariat

Ludwigshafen/ Rh.  
Wolffen-Palm  
Frankfurt-  
Berlin 11 7

Re: Auditing of Balance Sheets for 1935  
Dynamit-Aktion-Gesellschaft, formerly Alfred Nobel & Co., Troisdorf

Enclosed herewith we send you one copy each of the auditors' reports made by the Chemie Revisions- und Treuhand Gesellschaft n.b. ., Berlin, on the balance sheets and of the profit and loss accounts as at 31 December 1935 for Dynamit-Aktion-Gesellschaft formerly Alfred Nobel & Co., Troisdorf, and its affiliated companies as well as on the balance sheets of the Kuerberg/Stadela works. etc.

With German Salute  
F.A.G. FARBENINDUSTRIE AKTIEN-GESELLSCHAFT  
FARBEN-BOCKENHEIM RHEINL.

signed: Dencker

Enclosure

Registered letter

Exhibit A, cont'd

K.G. Farbenindustrie Aktiengesellschaft, Frankfurt (Main) 20

Our reference:  
Central Bookkeeping  
Department

Date  
8 October 1937

Page  
R/S

Secret

Gesamrat Professor Dr. Bosch  
Director Dr. Gajowski  
Office of the Technical Committee  
Central Finance Administration  
Finance Secretariat

Ludwigshafen  
Hofen-Werke  
Frankfurt

Berlin

Re: Auditing of Balance Sheets for 1936  
Dynamit-Aktion-Gesellschaft, formerly Alfred Nobel & Co., Treisderf

Enclosed herewith we send you the auditors' report by the Chemie Revisions-  
und Treuhand Gesellschaft m.b.H., Berlin, on the balance sheet and Profit  
and Loss accounts as at 31 December 1936.

signed: ST (for Struss)

Mit Deutschen Cross  
FARBENINDUSTRIE AKTIENGESELLSCHAFT  
CENTRAL BOOKKEEPING DEPARTMENT

Enclosure  
Registered Letter

signed: Dencker



Exhibit A, cont'd

I.G. Farbenindustrie Aktiengesellschaft, Frankfurt (Main) 20

Our Ref.  
Central Bookkeeping Dept.Day  
12 Oct. 1938  
R/S

Sheet

Geheimrat Prof. Dr. Bosch  
Direktor Dr. Gajowski  
TEL.-Büro  
Zefi, Dept. SekretariatLudwigshafen  
Wolfer-Filmfabrik  
Frankfurt  
BerlinRe: Auditing of Balance Sheets for 1937  
Dynamit-Aktiengesellschaft, formerly  
Alfred Nobel & Co., TroisdorfEnclosed herewith we send you the Auditors' report by the Chemie  
Revisions- und Treuhand-Gesellschaft m.b.H., Berlin on the balance  
sheets and Profit and Loss Accounts as at 31 December 1937.

(signed) St. (for Struss)

Heil Hitler!

I.G. FARBEINDUSTRIE AKTIENGESELLSCHAFT

Enclosure

Central Bookkeeping Department

Registered Letter

(signed): Dencker

I.G. Farbenindustrie Aktiengesellschaft, Frankfurt (Main) 20

Our Ref.  
Central Bookkeeping Dept. 24 August 1939

Day

Sheet

Geheimrat Prof. Dr. Bosch  
Direktor Dr. Gajowski  
TEL.-Büro  
Zefi, Dept. SekretariatLudwigshafen  
Wolfer-Filmfabrik  
Frankfurt  
Berlin H. 7Re: Auditing of Balance Sheets for 1938  
Dynamit Aktiengesellschaft, TroisdorfEnclosed herewith we send you an Auditors' report by the Chemie  
Revisions- und Treuhand-Gesellschaft m.b.H., Berlin, on the balance  
sheets and Profit and Loss Accounts as at 31 December 1938 \* \* \*

(signed): St. (for STRUSS)

Heil Hitler!

I.G. FARBEINDUSTRIE AKTIENGESELLSCHAFT

Central Bookkeeping Department

(signed): Signature.

Exhibit A, cont'd

I.G. Farbenindustrie Aktiengesellschaft, Frankfurt (Main) 20

Our reference:  
Central Book-  
keeping Department

Date  
5 November 1939  
11/21.

Page

Registered Letter

Gesamrat Dr. Schmidt  
Direktor Dr. Gajewski  
Central Finance Administration  
Finance Secretariat  
Office of the Technical Committee

Berlin III 7  
Sulfon-Cellulosefabrik

Berlin III 7  
in the building

Re: Auditing of Balance Sheets for 1939  
Dynamit Aktiengesellschaft, Treisdorf

Inclosed herewith we send you the Auditors' report by the  
Charité Revisions- und Treuhand Gesellschaft m.b.H., Berlin,  
on the balance sheets and Profit and Loss accounts as of  
31 December 1939, consisting of two volumes.

(signed) St (for Grass)

Heil Hitler!

I.G. FARBENINDUSTRIE AKTIENGESELLSCHAFT  
CENTRAL BOOKKEEPING DEPARTMENT

(signed) Doncker

Inclosures

CONT'D

Exhibit A, cont'd

I.G. Farbenindustrie Aktiengesellschaft, Frankfurt (Main) 20

CENTRAL BOOKING DEPT. DYNAMIT

Frankfurt (Main) 20

31-10-1941

R/21

Registered letter

Gesamrat Dr. Schmitz  
Director Dr. Gajewski  
Central Finance Administration  
Finance Secretariat  
Office of the Technical Committee

Berlin N. 7  
Hofen-Palm

Berlin N. 7  
in the building

Re: Dynamit-Akt., Treasurers'/Auditing of Balance Sheets for 1940

Enclosed herewith we send you the Auditors' report by the Chronic  
Revisions- und Treuhand-Gesellschaft m.b.H., Berlin, on the  
balance sheets and Profit and Loss Accounts as at 31 December 1940. \*\*\*

(signed) St (for Struss)

Heil Hitler!

I.G. FARBENINDUSTRIE AKTIENGESELLSCHAFT  
CENTRAL BOOKING DEPT. DYNAMIT

(signed) Gunkler

TRANSLATION OF DOCUMENT No. 1-127740  
CONT'D

Exhibit A, cont'd

I.G. Farbenindustrie Aktiengesellschaft, Frankfurt (Main) 20  
Central Book-keeping Department

Registered Frankfurt (Main) 20, 18 January 1943  
Bl

|                                   |                    |
|-----------------------------------|--------------------|
| Geholrat Dr. Schmitz              | Berlin N. 7        |
| Director Dr. Gajowski             | Wolfen-Film        |
| Central Finance Administration,   |                    |
| Finance Secretariat               | Berlin N. 7        |
| Office of the Technical Committee | on the Geschlossen |

Subject: Audit 1941  
Dynamit-Aktion-Gesellschaft, Weisdorf

Enclosed please find a report by the Cohnre Revisions- und Treuhand-Gesellschaft m.b.H., Berlin, concerning the audit of the balance sheet and also of the profit and loss account as of 31 December 1941.

(signed) St (for Struss) Heil Hitler  
(signed) L ?

IG Farbenindustrie Aktiengesellschaft  
Central Book-keeping Department  
(signed) Dencker



TRANSLATION OF DOCUMENT NO. 12746  
CONT'D

Exhibit A, cont'd

I.G. Farbenindustrie Aktiengesellschaft, Frankfurt (Main) 20  
Central Book-keeping Department

Registered

Frankfurt (Main) 20,  
27 October 1943

Gesamrat Dr. Schmitz  
Director Dr. Gajewski  
Central Finance Administration  
Finance Secretariat  
Office of the Technical Committee

Heidelberg  
Wolfen-Fabrik  
Berlin 17  
Frankfurt

Subject: Audit 1942  
Dynamit - AG-Gesellschaft, Troisdorf

Inclosed please find a report by the Chemie Revisions- und Treuhand-  
Gesellschaft m.b.H., Berlin, concerning the audit of the balance sheet  
and also the profit and loss account as of 31 December 1942. \*\*\*

(signed) St. (for Struss)

Heil Hitler

I.G. Farbenindustrie Aktiengesellschaft  
Central Book-keeping Department  
(signed) Dencker

TRANSLATION OF DOCUMENT No. II - 12740  
CONTINUED

Enclosure B

| Report:        | 1935 (1)   | 1936 (2)    | 1937 (3)    | 1938 (4)    |
|----------------|------------|-------------|-------------|-------------|
| Explosives A.  | 25,197,770 | 30,206,944  | 38,642,314  | 42,048,025  |
| Explosives B.  | 19,109,445 | 56,427,221  | 73,803,194  | 83,821,964  |
| Ammunition A.  | 13,714,932 | 13,003,632  | 14,303,513  | 12,990,385  |
| Ammunition B.  | 15,491,057 | 17,223,230  | 18,845,430  | 25,481,950  |
| Celluloid etc. | 8,822,430  | 10,230,718  | 14,954,484  | 15,525,788  |
| Plastics       | 14,983,224 | 18,661,953  | 27,315,001  | 30,558,617  |
| Total turnover | 97,402,758 | 146,653,758 | 187,953,936 | 210,436,730 |

| Report:        | 1939 (5)    | 1940 (6)    | 1941 (7)    | 1942 (8)    |
|----------------|-------------|-------------|-------------|-------------|
| Explosives A.  | 43,389,672  | 39,757,790  | 44,599,360  | 46,728,217  |
| Explosives B.  | 107,354,038 | 153,707,844 | 178,914,208 | 224,202,254 |
| Ammunition A.  | 14,360,875  | 12,480,560  | 15,885,703  | 11,435,191  |
| Ammunition B.  | 13,359,027  | 24,818,673  | 18,063,621  | 31,037,506  |
| Celluloid etc. | 16,464,325  | 19,336,651  | 20,325,558  | 18,834,323  |
| Plastics       | 43,257,170  | 60,971,337  | 81,003,409  | 74,658,730  |
| Total turnover | 248,185,107 | 314,072,765 | 358,791,779 | 406,907,220 |

- 1) Report 1935 page 2
- 2) " 1936 " 9
- 3) " 1937 " 10
- 4) " 1938 " 11
- 5) " 1939 " 9
- 6) " 1940 " 9
- 7) " 1941 " 7
- 8) " 1942 " 5

Exhibit C. page 1

DEUTSCH-AMERIKA-GESSELLSCHAFT vorm. Alfred NOBEL & Co., Preisdorf

Report on the Audit of the  
Balance Sheet and of the  
Profit and Loss Account  
as of 31 December 1937

Chemie Revisions und Treuhandgesellschaft  
mit beschr. Haftung, Berlin NW 7

Excerpt from page 48 :

"As a result of a considerable increase in the volume of business  
the G.m.b.H. zur Verwertung chemischer Erzeugnisse and the Spreng-  
stoff- und pyrotechnische Fabriken vormals Lochfeld & Deryffat  
G.m.b.H. have had to take up current loans from the D.A.G. during  
the year under consideration. The rates of interest for these  
are 5 % (G.m.b.H. zur Verwertung chem. Erz.) and 6 % (Lochfeld)  
respectively."

Report on the Audit of the  
Balance Sheet and of the  
Profit and Loss Account  
as of 31 December 1938

Chemie Revisions und Treuhandgesellschaft  
mit beschr. Haftung, Berlin NW 7

Excerpt from page 13 a:

"The following factories are in addition operated by the Gesellschaft  
n.b.H. zur Verwertung chemischer Erzeugnisse - the capital stock of  
which is wholly owned by the D.A.G. - as trustee for the Verwer-  
tungsgesellschaft fuer Montanindustrie G.m.b.H., Berlin, :

|                    |   |
|--------------------|---|
| Dormitz            | from 1 April 1938 onwards                       |
| Guessen            | from 1 July 1938 onwards                        |
| Rassisch-Lichtenau | from 1 June 1938 onwards                        |
| Clausthal-Zoll     | old from 1 Jan and 1 April 1939<br>respectively |
| Wackernunde        | from 1 Jan and 1 April 1939 respect-<br>ively"  |

TRANSLATION OF DOCUMENT No. NI-12740  
CONTINUED

Exhibit C, page 1, cont'd

Excerpt from pages 50 and 51:

"Demands made on Konzerns

In comparison to the previous year the demands made on Konzerns are as follows:

|  | 1936<br>RM   | 1937<br>RM   |
|--|--------------|--------------|
| .....<br>Gesellschaft m.b.H. zur Verwertung<br>chem. Erzeugnisse, Troisdorf<br>..... | 8.462.394,03 | 1.911.514,92 |

Exhibit C, page 2

During the year under consideration the Gesellschaft m.b.H. zur Verwertung chemischer Erzeugnisse and also the Sprengstoff und pyrotechnische Fabriken vormals Lechfeld & Dreyfag G.m.b.H. have made increased use of their credit with the D.A.C.. The funds placed at the disposal of the firstnamed company are to be made available again to the D.A.C. by a Reich Office. In so far as these are insufficient, the G.m.b.H. zur Verwertung chemischer Erzeugnisse shall pay 5% interest for their advance. On the other hand, the D.A.C. shall pay 4% interest on the credit of the Reichsstelle, in so far as this credit is not as yet required for financing the G.m.b.H.

.....



E n c l o s u r e D

| Claims of DAC<br>on Verwert-Chemie |            |    | Obligations of<br>DAC towards the<br>Verwert-Chemie |    | Capital of the<br>Verwert-Chemie |    | Participation<br>of DAG in the<br>Verwert-Chemie |    | Proceeds of<br>the DAG from<br>Participations<br>in the Verwert-<br>Chemie |    | Total Pro-<br>ceeds of<br>DAG from<br>Participa-<br>tions |    |
|------------------------------------|------------|----|---|----|----------------------------------|----|--|----|--|----|---|----|
| 1935                               | 269.098    | 1) | -   |    | 500.000                          | 1) | 100 %  | 1) | -  |    | -   |    |
| 1936                               | -          | 2) | 352.944   | 2) | 300.000                          |    | 100 %  |    | -  |    | -   |    |
| 1937                               | 1.911.514  | 3) | -   |    | 300.000                          |    | 100 %  |    | 75.723   | 4) | 507.321   | 3) |
| 1938                               | 6.462.394  | 4) | -   |    | 300.000                          |    | 100 %  |    | 359.108  | 4) | 1.021.386   | 4) |
| 1939                               | 2.644.789  | 5) | -   |    | 300.000                          |    | 100 %  |    | 719.179  | 5) | 1.282.505   | 5) |
| 1940                               | 2.444.242  | 6) | -   |    | 300.000                          |    | 100 %  |    | 1.277.960  | 6) | 1.967.710   | 6) |
| 1941                               | 14.991.642 | 7) | -   |    | 1.000.000                        | 7) | 100 %  |    | noch nicht<br>festgesetzt  | 7) | 606.520   | 7) |
| 1942                               | 66.837.155 | 8) | -   |    | 1.000.000                        |    | 100 %  |    | 1.639.182  | 8) | 2.376.818   | 8) |

TRANSLATION OF DOCUMENT No. NI-12470  
CONT'D  
-----

| Page -         | Cont'd                       |
|----------------|------------------------------|
| 1) Report 1935 | page 49 and Appendix 3       |
| 2) " 1936      | " 45 and page 55             |
| 3) " 1937      | " 29 " 47                    |
| 4) " 1938      | " 32 " 33, 35, 50            |
| 5) " 1939      | " 28 " 29, 42                |
| 6) " 1940      | " 30 " 31, 44                |
| 7) " 1941      | " 22 " 28, 30, 43 Appendix 5 |
| 8) " 1942      | " 15 " 16, 26.               |

Enclosure D, cont'd

Enclosure E

I.G. Farbenindustrie Aktiengesellschaft, Frankfurt (Main) 20

Our Ref. Day: Sheet  
Central Bookkeeping Dept. 17 Sept. 1936  
D/S.

Geheimrat Prof. Dr. Bosch Ludwigshafen  
Direktor Dr. Gajewski Wolfen-Filmfabrik  
Generaldirektor Dr. Mueller Troisdorf  
TEA-Buero Frankfurt  
Zentral-Finanzverwaltung, Dept. Sekretariat Berlin N. 7

Re: Auditing of Accounts 1935  
Dynamics Group of the D.A.G.

We send you herewith the report of the Chemie Revisions- & Treuhand-Gesellschaft m.b.H., Berlin, on the examination of the Balance Sheets and Profit and Loss Accounts as at 31 December 1935 of the firms

Gustav Genschow & Co., A.G., Berlin, and branches  
Carl Bauer & Co., Berlin, " subsidiaries  
G.C. Dornheim A.G., Berlin, " "  
Selve-Kronbiegel-Dornheim A.G. Saarbrücken  
Patronen-, Zündhütchen- und Metallwarenfabrik A.G.  
vorn. Sellier & Bellot/ETB,

for your kind information.

(signed) St (for STRUSS)

With German Salute  
I.G. FARBEINDUSTRIE AKTIENGESELLSCHAFT  
Central Accounts Department  
(signed) Dencker

Enclosure  
Registered

I.G. Farbenindustrie Aktiengesellschaft, Frankfurt (Main) 20

Our Ref. Date Sheet  
Central Bookkeeping Department 11.10.37 1.

Geheimrat Prof. Dr. Bosch Ludwigshafen  
Direktor Dr. Gajewski Wolfen-Filmfabrik  
Generaldirektor Dr. Mueller Troisdorf  
TEA-Buero Frankfurt/Main  
Zentral-Finanzverwaltung, Dept. Sekretariat Berlin N. 7

SECRET!

Re: Auditing of Accounts 1936  
Dynamics Group of the Dynamit Action-Gesellschaft late Alfr.  
Nobel & Co., Troisdorf.

We send you herewith the reports of the Chemie Revisions & Treuhand-Gesellschaft mbH., Berlin, on the auditing of the Balance Sheets and Profit & Loss Accounts as at 31 December 1936 of the firms

Enclosure 13, cont'd \*

Gustav Genschow & Co. A.G., Berlin, and branches  
Carl Bauer & Co., Berlin and subsidiaries  
G.C. Dornheim A.G., Berlin and subsidiaries  
Solve-Kronbiegel-Dornheim A.G., Sommerda,  
Patronen-, Zündhütchen- und Metallwarenfabrik A.G. vorm.  
Sellier & Bellot, Schoenebeck/Elbe.

(sd) St (for STUSS)

With German Salute  
I.G. FARBENINDUSTRIE AKTIENGESellschaft  
Central Accounts Department (sd) Dencker

Enclosure 13, page 2

I.G. Farbenindustrie Aktiengesellschaft, Frankfurt (Main) 20

| Our Ref.                  | Day          | Sheet |
|---------------------------|--------------|-------|
| Central Bookkeeping Dept. | 12 Oct. 1938 |       |
|                           | R/S          |       |

Geheimrat Prof. Dr. Bosch  
Direktor Dr. Gajewski  
TEA-Buero  
Zefi, Dept. Sekretariat

Ludwigshafen  
Wolfen-Filmfabrik  
Frankfurt  
Berlin

Re: Auditing of Accounts 1937  
Dynamit-Aktion-Gesellschaft late  
Alfred Nobel & Co., Troisdorf

\* \* \*

The firms indicated as Munitions group of the D.A.G. are not included in this. In regard to these, we are sending you a separate report. \* \* \*

Heil Hitler!  
I.G. FARBENINDUSTRIE AKTIENGESellschaft  
Central Accounts Department  
(Sd) Dencker

Enclosure  
Registered

I.G. Farbenindustrie Aktiengesellschaft, Frankfurt (Main) 20

| Our Ref.                  | Date       | Sheet |
|---------------------------|------------|-------|
| Central Bookkeeping R/Lkt | 21 Dec. 39 | 1     |

Geheimrat Prof. Dr. Bosch  
Direktor Dr. Gajewski  
Generaldirektor Dr. P. Mueller  
TEA-Buero  
Zefi, Dept. Sekretariat

Ludwigshafen  
Wolfen-Film  
Troisdorf  
Frankfurt/H.  
Berlin III 7

Re: Auditing of Accounts 1938  
Munitions Group of the Dynamit-A.G.



Enclosure E, cont'd

We send you herewith the reports of the Chemie Revisions & Treuhand-Gesellschaft m.b.H., Berlin, on the auditing of the balance sheets and the Profit and Loss Accounts as at 31 December 1938, of the firms

Gustav Genschow & Co. A.G., Berlin, and branches  
Carl Bauer & Co., Berlin, and subsidiaries  
G.C. Dornheim A.G., Berlin and branches  
Solve-Kronbiegel-Dornheim A.G., Sommerda  
Hruby & Co., Hachenburg  
Patronen-, Zündhütchen- und Metallwarenfabrik A.G.  
vorn. Sollier & Bellot, Schoenebeck/Elbe.

\* \* \*

(signed) St (for STRUSS)

Heil Hitler!  
I.G. FARBEN-INDUSTRIE AKTIENGESELLSCHAFT  
Central Bookkeeping  
(sd) Doncker

Enclosures  
Registered

Exhibit F

Gesellschaft m.b.H. zur Verwertung chemischer Erzeugnisse, Cologne.

Report

on the audit of the balance sheet and the profit and loss account  
as of 31 December 1935. Chemie Revisions- und Treuhand-Gesellschaft  
mit beschränkter Haftung, Berlin N 7.

Excerpt from page 1:

In conformity with the order for auditing given us by the Central  
Book-Keeping Department of the I.G. Farbenindustrie Aktiengesellschaft  
we have audited on 7 July 1936 the balance sheet as of 31 December 1935  
of the Gesellschaft m.b.H. zur Verwertung chemischer Erzeugnisse,  
Berlin.

\*\*\*\*\*

Gesellschaft zur Verwertung chemischer Erzeugnisse, Cologne.

Report

on the audit of the balance sheet and the profit and loss account as  
of 31 December 1936.

Chemie Revisions- und Treuhand-Gesellschaft mit beschränkter Haftung,  
Berlin N 7.

Excerpt from page 1:

In conformity with the order for auditing given us by the Central  
Book-Keeping Department of the I.G. Farbenindustrie Aktiengesellschaft we  
have audited on 30 June 1937 the balance sheet as of 31 December 1936 of  
the Gesellschaft m.b.H. zur Verwertung chemischer Erzeugnisse, Cologne.\*\*\*

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Excerpt from page 2:

"Up to the end of 1936 it (the company) did not keep an actual  
business report. From the beginning of 1937 it was engaged in the  
manufacture of chemical products in the production plants in Doornitz  
leased to it by a Reich Office (Reichsstelle). \*\*\*

TRANSLATION OF DOCUMENT No. NI-12740  
CONTINUED

Exhibit E, cont'd

I.G. Farbenindustrie Aktiengesellschaft, Frankfurt(Main) 20

Our reference                      date                      page  
Central Book-Keeping Department    10 September 1936    1.  
Hoo/Lkt

Privy Councillor Professor Dr. BOSCH                      Ludwigshafen/Rhine  
Director Dr. G. J. T. SKI                                      Wolfen-Film  
Office of the Technical Committee                      Frankfurt/Main  
Central Finance Administration,  
Secretariat Department                                      Berlin M 7

Subject: Audit of the balance sheet 1935  
Dynamit-Aktion-Gesellschaft vorm. Alfred NOBEL & Co., Troisdorf.

Enclosed please find one copy of each of the reports made by the Chemie Revisions-und Treuhand-Gesellschaft m.b.H., Berlin, on the audit of the balance sheets and the profit and loss accounts as of 31 December 1935 of the Dynamit-Aktiengesellschaft vorm. Alfred NOBEL & Co., Troisdorf, and its subsidiaries as well as on the balance sheet of the Nuernberg/Stralau works. \*\*\*\*\*

With German Salute

I.G.F. FARBENINDUSTRIE AKTIENGESellschaft  
ZS TR BOOK-KEEPING DEPARTMENT

Enclosure  
Registered

(signed) DENCYER

I.G. Farbenindustrie Aktiengesellschaft, Frankfurt (Main) 20

Our reference                      date                      page  
Central Book-Keeping Department    8 October 1937  
H/S

Secret

Privy Councillor Professor Dr. BOSCH                      Ludwigshafen  
Director Dr. G. J. T. SKI                                      Wolfen-Filmfabrik  
Office of the Technical Committee                      Frankfurt  
Zefi, Secretariat Department                                      Berlin

Subject: Audit of the balance sheet 1936  
Dynamit-Aktion-Gesellschaft vormals Alfred NOBEL & Co., Troisdorf

TRANSLATION OF DOCUMENT No. NI-12740  
CONTINUED

Exhibit E, cont'd

In the Konzern companies, of which the active ones are comprised in part I  
and the inactive ones are comprised in part II

|   | part I   |        | part II  |       |
|---|----------|--------|----------|-------|
|   | appr. RM | Mill.  | appr. RM | Mill. |
| the plants                                | "        | 1,956  | "        | 0,345 |
| " claims                                  | "        | 12,799 | "        | 0,474 |
| " interests                               | "        | 0,003  | "        | 0,001 |
| " reserves                                | "        | 0,397  | "        | -     |
| " bank and postal<br>checking accounts    | "        | 2,275  | "        | -     |
| " securities                              | "        | 1,059  | "        | -     |
| " liquid monies                           | "        | 0,221  | "        | -     |
| " capital payment<br>in arrears           | "        | 0,019  | "        | -     |
| " losses incl. amounts<br>brought forward | "        | 0,028  | "        | -     |
| at the end of 1936                        | appr. RM | 18,757 | appr. RM | 0,820 |
| amount to<br>signed St. (for STRUSS)      |          | Mill.  |          | Mill. |

With German Salute

Enclosure  
Registered

I.G. FARBENINDUSTRIE AKTIENGESellschaft  
Central Book-Keeping Department  
(signed) DETCKER

( page 3 of original )

I.G. Farbenindustrie Aktiengesellschaft, Frankfurt (Main) 20

Our reference  
Central Book-Keeping Department

date  
12 October 1938  
r/s

Privy Councillor Professor Dr. BOSCH,  
Director Dr. GUTSMI  
Office of the Technical Committee  
Zefi, Secretariat Department

Ludwigshafen  
Wolfsen-Filmfabrik  
Frankfurt  
Berlin



TRANSLATION OF DOCUMENT No. NI-12740  
CONTINUED

Exhibit E, cont'd

Subject: Audit of the balance sheet 1937  
Dynamit Aktiengesellschaft vormals Alfred NOBEL & Co., Troisdorf

\*\*\*

In the Konzern companies of which the active ones are comprised in part I  
and the inactive ones are comprised in part II

|  | part I                  | part II                |
|--|-------------------------|------------------------|
| the plants                                     | approx. RM 0,427 Mill.  | approx. RM 0,351 Mill. |
| the claims                                     | " " 14,793 "            | " " 0,479 "            |
| the reserves                                   | " " 0,613 "             | " " - "                |
| the cash, bank and postal<br>checking accounts | " " 2,145 "             | " " - "                |
| the securities                                 | " " 0,464 "             | " " - "                |
| the capital, paid<br>in arrears                | " " 0,019 "             | " " - "                |
| the loss including amounts<br>brought forward  | " " 0,007 "             | " " - "                |
|  | approx. RM 18,468 Mill. | approx. RM 0,830 Mill. |
| at the end of 1937                             |                         |                        |
| amount to                                      |                         |                        |

signed St. (for SERUSS)

Heil Hitler !

I.G.F. REINIGUNG STRICH AKTIEGESELLSCHAFT  
Central Book-Keeping Department

Enclosure  
Registered

(signed) DENCKER

MICROCOPY

892

ROLL

39

END

